The China Weekly REVIEW

密勒氏評論報

Established 1917

Taming of Harbin

The Truth About the Sino-Soviet Tangle in Manchuria

By J. B. Powell

Russia, China, and the Chinese Eastern Railway

By Dr. C. C. Wu

The Control and Examination Yuans, by Han Lih-wu—A Railway Without a Legal Owner—Full Text of British Note on Extrality—New Books of Interest in the Far East—Who's Who in China, and many other features.

SATURDAY, SEPT. 7, 1929 VOLUME L NUMBER 1

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時刻 TIMES			站名 STATIONS	時刻 TIMES		
星期一,三,五. Mon. Wed. Fri.	14.00	dep. 開	北平 Peiping	到 arr.	10.50	星期二,四,六,
	14.29	arr. 到		開 dep.	10.22	Tues Thurs. Sat.
,,	14.34	dep. 開	豐台 Fengtai	到 arr.	10.17	,,
,,	16.54	arr. 到		開 dep.	7.44	,,
,,	16.58	dep. 開	天津總站 Tientsin Central	到 arr.	7.40	,,
,,	17.06	arr. 到		開 dep.	7.30	,,
,,	17.30	dep. 開	天津東站 Tientsin East	到 arr.	7.00	,,
,,	17.40	arr. 到		開 dep.	6.50	,,
,,	17 55	dep. 開	天津總站 Tientsin Central	到 arr.	6.35	,,
,,	18.06	arr. 到		開 dep.	6.23	,,
,,	18.11	dep. 開	天津西站 Tientsin West	到 arr.	6.18	,,
,,	21.22	arr. 到		開 dep.	3.07	,,
,,	21.37	dep. 開	滄州 Tsangchow	到 arr.	2.52	,,
,,	22 35	arr. 到		開 dep.	1.54	,,
,,	22.50	dep. 開	泊頭鎮 Potouchen	到 arr.	1.39	,,
星期二,四,六.	1.02	arr. 到		開 dep.	23.25	星期三,五,日.
Tues. Thurs. Sat.	1.27	dep. 開	德州 Techow	到 arr.	23.00	Wed., Fri., Sun.
,,	3.10	arr. 到		開 dep.	21.17	,,
,,	3.25	dep. 開	禹城縣 Yuchenghsien	到 arr.	21.02	,,
,,	5 00	arr. 到		開 dep.	19.30	,,
,,	5.30	dep. 開	濟南府 Tsinanfu	到 arr.	19.00	,,
,,	8.08	arr. 到		開 dep.	16.25	,,
,,	8.38	dep. 開	泰安府 Taianfu	到 arr.	15.55	,,
,,	9.44	arr. 到		開 dep.	14.51	,,
,,	9.49	dep. 開	大汶口 Tawenkow	到 arr.	14.46	,,
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,,	11.14	dep. 開	曲阜 Chufou	到 arr.	13.24	,,
,,	11.51	arr. 到		開 dep.	12.49	,,
,,	12.21	dep. 開	兗州府 Yenchowfu	到 arr.	12.19	,,
,,	14.14	arr. 到		開 dep.	10.26	,,
,,	14.17	dep. 開	滕縣 Tenghsien	到 arr.	10.23	,,
,,	15.24	arr. 到		開 dep.	9.16	,,
,,	15.39	dep 開	臨城 Lincheng	到 arr.	9.01	,,
,,	17.55	arr. 到		開 dep.	6.44	,,
,,	18 25	dep. 開	徐州府 Hsuchowfu	到 arr.	6.14	,,
,,	21 04	arr. 到		開 dep.	3.35	,,
,,	21.14	dep. 開	南宿州 Nanhsuchow	到 arr.	3.30	,,
星期三,五,日	0.15	arr. 到		開 dep.	0.39	,,
Wed., Fri., Sun.	0.45	dep. 開	蚌埠 Pengpu	到 arr.	0.09	,,
,,	1.32	arr. 到		開 dep.	23.22	星期四,六,一.
,,	1.42	dep 開	臨淮關 Linhuaikwan	到 arr.	23.17	Thurs. Sat. Mon.
,,	2.52	arr. 到		開 dep.	22.07	,,
,,	3 02	dep 開	明光 Minkuong	到 arr.	21.57	,,
,,	5.07	arr. 到		開 dep.	19 52	,,
,,	5 17	dep. 開	滁州 Chuchow	到 arr.	19 42	,,
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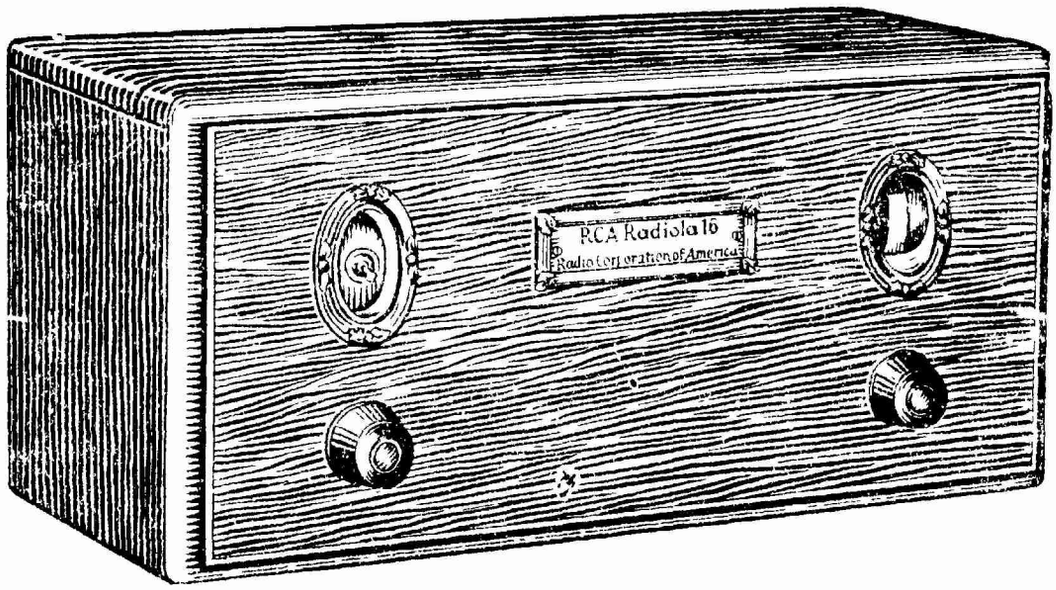

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8	9	* 10	PRES. MCKINLEY To H'kong & Manila 11	* 12	PRES. JACKSON To San Francisco 13 and Los Angeles via Honolulu	14
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1929 OCTOBER 1929

SUN	MON	TUE	WED	THU	FRI	SAT
£120 and £112 special through fares To Europe via America		1	PRES ADAMS To H'kong, Manila, 2 Europe, New York via Suez	3	4	PRES. LINCOLN To H'kong & Manila 5 PRES. JEFFERSON To Seattle and Victoria, B. C. via the Short Route
6	7	8	PRES. CLEVELAND To H'kong and Manila 9	10	PRES. GRANT To San Francisco 11 and Los Angeles via Honolulu	12
13	14	15	PRES. HARRISON To H'kong, Manila, 16 Europe, New York via Suez	17	18	PRES. MADISON To H'kong & Manila 19 PRES LINCOLN To Seattle and Victoria, B. C. via the Short Route
20	21	22	PRES. PIERCE To H'kong & Manila 23	24	PRES. CLEVELAND To San Francisco 25 and Loss Angeles via Honolulu	26
27	28	29	PRES. JOHNSON To H'kong, Manila, 30 Europe, New York via Suez	31	New direct service from Manila and Hongkong to Honolulu San Francisco and Los Angeles Pres. Hayes Sailing from Hongkong direct to Honolulu Oct. 2.	

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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A RAILWAY WITHOUT A LEGAL OWNER

THE Chinese Eastern Railway, which cost originally G.$225,000,000 and extends for a distance of about 1,200 miles across North Manchuria, is in reality a railway without a legal owner—which is one of the chief causes of the present trouble which China and Soviet Russia are having over the control of the line.

The Chinese Eastern was constructed by the Czarist Government about thiry years ago with money borrowed largely in France. When the Bolshevist Government was established in Russia one of its first acts was officially to repudiate all foreign debts. This naturally included the old Czarist debt to France, or rather to French citizens who had purchased bonds floated in France for the Russian loans. For a period of two years, 1918 to 1919, the Chinese Eastern Railway was administered by a so-called Inter-Allied Technical Board, the chairman of which was a well known American engineer, John F. Stevens. But when China and Russia resumed relations in 1924 and agreed to operate the railway as a joint property, Mr. Stevens and the Technical Board passed out of the picture. However, while they were in control of the road, American and Japanese firms sold equipment to the C. E. R. amounting to approximately $10,000,000, payment for which is said never to have been made by the railway. After Soviet Russia's first revolutionary spasm in 1919 and 1920 the rulers of Moscow sent telegrams to the Chinese Governments in Peking and Canton, offering to "restore" the C. E. R. to China with no strings attached, but when China and Russia actually got down to the business of negotiating a new treaty or agreement in 1924, Russia only surrendered half control to the Chinese. Recent developments have shown that while China was granted a "paper" half interest in the railroad, the Russians actually retained control of the administration in their own hands.

For several years the French Government has attempted to establish the contention that since the money for the construction of the C. E. R. was borrowed in France, the French are the actual owners of the railway. The Chinese, however, contend that the money for the construction of the C.E.R. was borrowed by the Czarist Government of Russia and not by the railway directly, hence the French have no legal claim. There have been many rumors regarding the French possession of certain bonds

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which were issued by the Russo-Asiatic Bank (financial organ of the railway), but to date there has been no definite statement regarding the status of these bonds, or regarding the interests which actually hold them. Likewise there have been many rumors in recent months to the effect that the Soviet Russians might "sell" the C. E. R. to some third party such as France or Japan, but these reports always have caused a flare-up in China who contends that Soviet Russia has no right to sell the railway because the 1924 agreements between China and the Soviet granted China a fifty-percent ownership in the line. Also the Chinese contend that their old government also put considerable money into the construction. Therefore, one comes back to the question, "Who owns the Chinese Eastern Railway?"

Col. John F. Stevens contends that the Chinese Eastern Railway belong to Russia and no one else. But Russia, or at least Soviet Russia, in 1924, in two separate agreements, "gave" China a half interest in the line and agreed to present China the complete title after a period of thirty years. In 1919 and 1920 the Soviet "offered" China the complete title, but no action was taken. In view of the indefiniteness of the title to the railway, the Chinese interests in North Manchuria, apparently have decided that the old maxim, "possession is nine-tenths of the law" applies to this property and accordingly have acted. The Chinese are now in actual control, but no one can say what will be ultimately decided by China and Russia as to the disposition of the line. Obviously the Chinese will not surrender control unless they are forced to do so as the result of military force exerted by Soviet Russia, a force which Russia has not yet decided to use. From the standpoint of equity, it would seem that China should actually purchase the title to the road from the Russians and the Russians should use the money to liquidate their debt, to France and other creditors of Czarist Russia. This at least would establish the question of legal ownership, but as things now stand in Manchuria, legalities do not count for much when opposed by military force. In the meantime the C. E. R., one of the most important railways in the world is in the interesting position of being without debt obligations due to the fact that no one possesses legal title to the property.

MORE LIGHT ON JOURNALISTS' TOUR AND PROPAGANDA

THE STATEMENT of George S. Johns, editor of the St. Louis *Post-Dispatch*, in reply to Chinese charges regarding the propaganda character of the American journalists' tour of the Orient last summer, may have a somewhat reassuring effect upon Chinese opinion in respect to the motives of the individual journalists who accompanied the party, but it does not explain the motives of the Carnegie Foundation in sponsoring a "good will" tour which has now been exposed as nothing more than a cleverly disguised Japanese propaganda "stunt" for the purpose of paving the way for the flotation of a loan in the United States by the Japanese Government-owned South Manchuria Railway. Mr. Johns' statement, which was broad-casted from Manila, was to the effect that any criticism leveled at China by individual members of the party, was not to be taken by the Chinese as an official expression of opinion on behalf of the entire party. Mr. Johns also declared that the Journalists' Party did not tour China under Japanese auspices. Mr. Johns' statement was

THE REFEREE
"IN THIS CORNER, KID CHINA — MEMBER OF THE LEAGUE OF NATIONS"
"AND IN THIS CORNER, RED RUSSIA, SIGNER OF THE KELLOGG ANTI-WAR PACT" —
WAR
"KID CHINA OUGHT TO BE IN FINE CONDITION — BEEN FIGHTING EVERY DAY FOR FIVE YEARS — BUT RED RUSSIA IS SOFT — HASN'T HAD A FIGHT FOR SEVERAL YEARS"

From the Chicago Tribune

good as far as it went, but did not go far enough from the standpoint of explaining the motives of the Carnegie Foundation which sponsored the trip, which now turns out to have been entirely financed by Japanese individuals and organizations which are trying to influence American public opinion for purely selfish motives. For example the newspapers in North China have now discovered that the entire expenses of the "junket" were defrayed by at least four Japanese financial and business groups which are closely associated with the enterprises of the South Manchuria Railway Company. Furthermore, it has developed that each member of the party was "offered" a considerable sum of money (reported at G.$1,000) to cover incidental expenses while traveling in China and Japan, and that this sum was in addition to the sum G.$800 which was handed each member of the party by the Carnegie Foundation when the group sailed from San Francisco. According to reports appearing in the Chinese newspapers in North China, these facts were all brought out as a result of inquiries made in Washington by Chinese interests. As stated in

a previous discussion of this subject in *The Review* on August 3, this so-called "good-will' tour has turned out to be anything but a good-will tour from the stanpdoint of Chinese public opinion and from the standpoint of the Japanese it has done nothing to improve their position either in Chinese or American public esteem. Furthermore it has caused the Carnegie Foundation to be regarded with intense suspicion among intelligent Chinese from one end of the country to the other. Several members of the Journalists' Party are also said to have expressed considerable indignation on the grounds that they feel they have been "taken in." They, or at least most of the members of the Party, accepted the invitation of the Carnegie Foundation in good faith thinking that it was a genuine tour for the purpose of study and investigation with the object of creating good will between America and Oriental countries. Obviously they had no intention whatever of lending themselves to a Japanese propaganda scheme, the ultimate purpose of which was to float a large loan in the United States.

TAMING OF HARBIN

HARBIN has been called the wickedest, the wettest and the wildest city in the Orient. A quarter of a century ago it won its reputation as the center of unrestrained frivolity when the Czarist Russians hurriedly were pushing the Chinese Eastern Railway southward to Dalny and the sea. Of the Harbin during these days, the English author Frazier, in his book "Real Siberia," wrote:

"Theoretically Harbin is Chinese territory, and therefore goods coming in from the sea at Dalny (Dairen), pay no duty. But you do not buy them cheaper because of that. Indeed, everything costs about double what it does at Vladivostok. Two hundred per cent is the profit a trader must make, or he thinks he is doing a bad business! Harbin is now a magnet to all the adventurers in Russia. There are two or three murders every week. Respectable folks who go out at night do so in bands, the men armed and with a Cossack guard. Russian officers and the army of engineers engaged on the railway—they are all excellently paid to stimulate them to hurry the line to completion—make for Harbin when they get a few days leave. A Russian's idea of good-fellowship, when in his cups, is to squander, to pour champagne on the floor, just to show he doesn't mind expense, to light his cigarette with a three rouble note, and generally to splash money around. There is a *cafe chantant* at Harbin, which has the laxity of *cafes chantants* in other parts of the world. The night before I was at Harbin, an engineer arrived, his pockets bulging with roubles, and he showed his idea of money by making all the girls sit in a row while he poured champagne on hundred-rouble notes, and then stuck these notes (£20) on the foreheads of each of the eight girls. That is the Harbin idea of having a good time."

For years after the railway was completed, and while the royalist Russian dominance of Harbin held, the notorious night-life in this pearl of the Orient maintained its mad gaiety. Even the revolution in Russia little affected the city. People came to Harbin to forget. White Russian officers sought the refuge and security of this anomalous settlement, a paradox because though it was nominally a Chinese city, in virtually everything else it was Russian. Many a Czarist aristocrat squandered the last of his fortune in a few tinselled nights of splendid banqueting, of riotous drinking and wild dancing in the cabarets, which had multiplied from the single original Mr. Frazier mentioned, to scores of establishments on a grand and elaborate scale.

After the administration had been turned over to the Chinese and Harbin became "the city where yellow rules white"—the only one of its kind in the world—something of the old flair and ostentation for a time disappeared. But within a few months White Russian refugees, destitute and comely young women among them, sought the place as a haven where one might still live among Russians, speak Russian, eat Russian food, wear Russian clothes and enjoy all the benefits of Russian civilization without suffering the hated rule of the triumphant Bolshevists. The inundation of so many beautiful women, equipped with no effectual means of earning a living except through the astute display of the charms with which nature had endowed them, naturally furnished considerable stimulus to the cabaret business. Night life soon developed on an even more extensive scale than before. Harbin became known throughout the Far East as a veritable "garden of hashish" and to white foreign men, stranded in the treaty ports of China, it was the true holiday city of this side of the world. Returning travellers made enticing additions to the legend of lovely women and exotic nights and Harbin came to have a symbolism more and more romantic. Foreigners flocked to the city as they never had before, and instead of surviving on the reckless spending of White Russian "carryovers," the cabarets become dependent almost exclusively on the tourist trade. The Japanese are said to have been, and still are, the best patronizers of these night resorts, which by no means can all be classified under the single title of "cabarets." The Chinese too, have learned to contribute their share to the upkeep of the "refugees", but it is mostly the Nipponese and the European and American trade—the "butter-and-egg-man's" Far Eastern prototype—who have kept up the dance.

Within recent months, however, the Chinese authorities have begun a vigorous campaign to suppress cabaret life, to minimize prostitution and generally to tame the abandon of Harbin. Considerably before the recent exodus of certain Soviet employes of the Chinese Eastern Railway from the city, new regulations governing the etiquette to be observed at cabarets and restaurants were announced. Much to everyone's amazement, they were enforced. A few weeks after their promulgation, these municipal orders had been responsible for the closing of a number of the establishments and the darkening of a large section of what had been the "great white way" of this northern city. There was to be no drunkeness. no disorder. Patrons would not be allowed to indulge in maudlin conduct of any sort. Restaurants were obliged to close at 2 o'clock and cabarets at 5—in the morning, of course. First offenders of these regulations were fined; the second time the place was closed. After a six months' period during which these and similar rules were enforced, the cabaret business had suffered a con-

siderable slump. Proprietors found that unless they allowed their patrons to get pleasantly inebriated they could not make money, while if they did, it invariably resulted in the creation of some of those minor incidents that seem to accompany the success of a cabaret and are considered of no moment in the life of a cabaret girl, but which appear to vex the Chinese authorities considerably.

This supervision of the management of Harbin cabarets has now been made even stricter. According to the latest code of civil administration for this district, in a section relating to regulations governing dance halls and "dancing schools" the appearance of undraped dancing girls is prohibited. In addition it is prohibited that any famale dancing partners shall be allowed to act concurrently as waitresses. This rather places a crimp in the style of Harbin's night life, one of the chief features of which has been the appalling paucity of clothing worn by its star entertainers. But this is not the final blow. It is now required that all cabarets be closed by midnight and that each time a change in the entertainment program is made, it must be reported to the police censors, and their sanction secured. To the Harbinite, the idea of closing a cabaret at midnight, shortly after the hour the average Russian family have their dinner, is simply not to be comprehended. If this measure is as rigidly enforced as the others mentioned, it will amount virtually to the closing of the few night clubs which still survive in this Sino-Russian city. Already Harbin has been robbed of much of the old glamour of its "wild and wicked and wet" reputation, at the hands of the Chinese. With the coming into effect of these new restrictions there is a promise that it will be washed of its last vestige of immorality.

Perhaps we are premature in lamenting the death of this city of joy, but after a recent visit there is seemed to us that Harbin quite definitely has lost the features of the frontier town which characterized it in other days, and has emerged as a normally law-abiding, sane, rotarian-breeding community. It is interesting to note that this evolution largely has been brought about by Oriental influence. This is perhaps the first time in history that an Oriental race successfully has undertaken the "purification" of a city that is the product of a white civilization.

THE "CHINIFICATION" OF THE C. E. R.

THE Chinese Eastern Railway Administration, or at least the Chinese officials who are now functioning in the management of the road, on August 27 took an action which may turn out to be the most important of the many dramatic happenings of recent months in Sino-Russian relations. This action was the passing of a resolution making the Chinese language the official language of the railway. Accordingly, the meeting of the Board of Directors held on that date was conducted in the Chinese language. A complete copy of the resolution has not been made public, but it is under the operation of the line. It will require, of course, language must be used in all official orders, communications, publications, etc., which are used in the operation of the line. It will require, of course more than a resolution to put this order into effect and also, it must be understood, this action was taken by the Chinese directors without reference to wishes of the Russian officials of the railway who have been deported. Whether the Russians, when they resume relations with China, will agree to this is not known, but as it stands now the "Chinification" of this important railway property has begun. It probably will require a generation of education before the Chinese language actually becomes a force in North Manchuria, the reason for this being that the Russian language is now all-pervading throughout the district. When the Czarist Russians drove the Chinese Eastern Railway through North Manchuria to the sea at Dairen, one of their first actions was to establish schools which were supported by the railway. These schools taught the Russian language and they did the job so well that it is not unusual to find Chinese of the younger generation in North Manchuria who can speak, read and write the Russian language, but whose knowledge of the Chinese language is most meager. In Harbin for example, it is difficult to order a meal from a Chinese waiter and use the Chinese names for different articles of food. The writer tried this out on several occasions and in almost every case it was necessary to call a Russian waiter and have him give the instructions in the Russian language which the Chinese waiters understood perfectly.

The Chinese educational officials in North China, since the taking over of the schools connected with the Chinese Eastern Railway, have been working to install the Chinese language in place of Russian, but it naturally is a long slow process, in view of the fact that Russian has been the official language for practically a third of a century. The influence of the Russian language has naturally had its effect upon the political development of the country, causing the population, Chinese as well as the large foreign (Russian) element, to look toward Russia rather than China. The influx of millions of Chinese from Shantung and Chihli has naturally brought in the Northern Chinese or "Mandarin" dialect which today prevails in the rural districts and villages, but along the railway and in the cities, the cultural and educational centers of the country, Russian is the general language with Chinese in a secondary position. In South Manchuria, where the Chinese population is denser, the Chinese language prevails generally, despite the use of th Japanese language on the South Manchuria Railway and in Dairen and in the schools operated by the Japanese officials of the South Manchuria Railway, but generally speaking the same problem faces the Chinese officials in South Manchuria as prevails in North Manchuria. It has been reported that Marshal Chang Hsueh-liang has decided to use the bulk of the fortune left by his father, the late Marshal Chang Tso-lin in the establishment and endowment of Chinese schools and universities. This indicates a realization on the part of the present ruler of Mukden of the seriousness of the educational problem in Manchuria, but obviously it constitutes a national problem from the standpoint of the whole country.

DISHONEST JOURNALISM

THOMAS H. MILLARD, former editor of the *Review* and now advisor to the National Government, used to tell a story about a personal experience of his which ably illustrates the lack of professional integrity among certain foreign newspapers in Shanghai. When Mr. Millard was editing the *Review*, he once came across an article in a local paper which he felt was worth reprinting in this periodical. Accordingly it appeared in an issue of the *Review*, with due credit given to the Shanghai paper from which it was clipped. A few days after this particular number of the *Review* had been circulated, Mr. Millard received a latter from one of the subscribers, who pointed out that the article previously had appeared, in practically the same form, as an editorial in the *Review*. It developed that the *Review's* original editorial had been reprinted by a newspaper in America, which had carried a credit line with it. Upon receipt of the American newspaper by the local journal in Shanghai it was reprinted a second time, with no acknowledgement, but with a slight change in the leading paragraph. Mr. Millard considered the joke on himself, since he had failed to recognize his own editorial, but the incident serves as a typical example of the dishonest policy frequently followed by the morning newspapers of Shanghai, in publishing as original contributions material which has been "cribbed" from other publications.

Frequently the *Review* has had occasion to indicate various evidences of lack of responsibility and censurable supineness diplayed by the British press here. Recently it was pointed out that the British-owned newspapers in Shanghai (the *North China Daily News*, the *Shanghai Times* the *Shanghai Mercury* and the *China Press*) obviously had agreed on a policy of the suppression of names of foreign women involved in scandalous, sensational or opprobrious episodes in Shanghai life. It is a matter of common knowledge that in such instances repeatedly the papers mentioned have cooperated in muzzling news or in presenting it without mention of the names of those involved.

Not so well known, perhaps, is the equally unethical practice among these papers of clipping news stories and articles from foreign papers, and offering them to their readers as original writing. In some instances slight alterations in the text are made, but more often the stories are republished intact. The recurrence of these violations of integrity are too frequent to be excused by the editors of the offending journals as the mere oversight which occasionally occurs in even carefully managed publications.

One of the most astounding of these acts of plagiarism recently was committed by the *China Press* when, in its Sunday edition of August 31, it reprinted from the *New York Times Magazine* a story by Owen Lattimore, called "Manchuria, the Wild West of the Far East." Nowhere in the article was there a mention of the fact that it had been written for and published by the *New York Times*. It made a pretty full page spread for the *China Press*, and not one person in a hundred was aware of the fact that the article, as well as the illustrations used with it, were lifted from the American newspaper.

Few people in Shanghai regularly subscribe to or read the home newspapers, but they circulate to the local journals, which subscribe to them in order to keep abreast of developments in the United States and in Europe. So the danger of being detected in this sort of petty thievery is minimized for the local British press. The fact that there are no copyright laws here adds to the sense of security for publishers are aware that they will not be prosecuted, as they would be either in Great Britain or America, for such inexcusable dishonesty.

CHINA AND RUSSIA DISCUSS SETTLEMENT THROUGH GERMANY

AFTER reliable reports on last Saturday, Sunday and Monday that China and Russia had agreed to issue a joint declaration announcing the terms upon which they were to open negotiations for the settlement of the controversy over the Chinese Eastern Railway, later denials of such an understanding, emanating from both Nanking and Moscow returned the situation to near the same status of a week ago. The feeling persists, however, that an amicable settlement soon will be reached and the apparent cessation of all but negligible border disturbances in Manchuria seems to indicate that the order has gone out from Moscow to discontinue actions which might be interpreted as hostile. Dr. Wang has denied that China has any intention of acquiescing to Russia's insistence on a return of the Chinese Eastern Railway to a *status quo* and also has declared that the provisional appointment of a new Soviet manager or director of the line, as a preliminary to formal conversations on the liquidation of the present altercations, is a concession "impossible" for China to consider. But it is admitted by Dr. Wang that Chiang Tso-ping, through the German ambassador to Moscow, is exchanging views with Russia, and that every hope is held out for an amicable conclusion to the dispute.

Chiang Tso-ping, China's minister and "peace-maker" at Berlin

First news of the reported agreement between Moscow and Nanking reached Shanghai last Saturday, via the *Tass* news agency. One of the press services here picked up the story, put a Berlin dateline on it and issued it as follows:

(Continued on page 62)

The Truth About the Sino-Soviet Dispute in Manchuria

BY J. B. POWELL

(Written for the Chicago Tribune)

CHINA and Soviet Russia, both signers of the Kellogg Anti-War Pact, have assured the United States and other nations of the world that they will not resort to war over the question of the control of the Chinese Eastern Railway.

Shortly following China's action in arresting and deporting a number of high Soviet officials of the Railway and Russia's action in withdrawing her consuls from Manchuria early in July last, there were informal conversations or "negotiations" between Mr. Melnikoff, one of the ousted Russian consular officials and representatives of local Chinese interests in Manchuria. Chu Shao-yang, a former Chinese Charge d'Affaires in Moscow, who had been instructed by the National-Government in Nanking to open formal negotiations with delegates of the Soviet Government, passed through Harbin on August 5 on his way to Manchuli, a border town situated adjacent to the Sino-Russian frontier, some 500 miles northward of Harbin. The delegates representing local Manchurian interests, who had gone to Manchuli on July 31, were Tsai Yung-hsien, Commissioner of Foreign Affairs at Harbin and Tsung Yueh, Commissioner of Foreign Affairs at Kirin. Li Shao-keng, one of the Chinese directors of the Chinese Eastern Railway accompanied the Chinese Delegation to Manchuli, his purpose being to act in a technical capacity. Mr. Melnikoff, the former Soviet Consul-General in Harbin, who met the Chinese delegates in Manchuli, or to be exactly correct at Station "86" on the Russian side of the boundary, had been generally looked upon as the leading Soviet diplomatic official in China since the closing of the Soviet Embassy in Peking by Marshal Chang Tso-lin in 1927. This was due to the fact that while the late Marshal Chang Tso-lin had closed the Soviet Embassy in Peking and the National Government had raided and closed all Soviet consulates in the Yangtse Valley and South China the consulates of the U. S. S. R.—about a dozen of them—had been permitted to function in the Three Eastern Provinces, Kirin, Fengtien and Heilungkiang, otherwise known as Manchuria. This strange action was due to the fact that Russian interests in China are largely centered in North Manchuria and are concentrated in and about the Chinese Eastern Railway, an important railway line which was built by Czarist Russia a third of a century ago at a cost of more than G.$225,000,000 for the purpose of connecting European Russia with the Pacific Ocean. The territory through which this railway passes consists of about 400,000 square miles of territory which contains potential resources somewhat comparable to such states of the American Union as Kansas, Nebraska, Iowa, Northern Missouri, Illinois and the Dakotas—obviously a territory worth fighting for and by some termed the "world's last frontier."

The so-called "negotiations" or conversations between Chinese and Russian delegates at Manchuli, were a failure. In fact they have since been repudiated by both sides, hence it is impossible to know with any certainty what subjects were discussed. It has been reported in the press that the Russians demanded the reinstatement of their officials or the restoration of the *status quo*, before they would consent to a formal conference. It is now fairly well established that the Russians refused to have any discussions whatever with Chu Shao-yang, the delegate from Nanking and after a stay of several days in Manchuli all of the Chinese delegates returned to Mukden. A few days following the return of the Chinese delegates from the frontier, there suddenly occurred a number of clashes along the border all the way from Manchuli to Pogranichnya, a distance of more than 1000 miles, the Chinese alleging that Soviet Russian troops had crossed the border at a number of places and launched attacks on the Chinese forces. The most serious of these attacks was at Clalainor, about twenty miles from Manchuli where an important coal mine that supplies the railway, is located. The Chinese allege that Soviet troops with artillery and machine-guns fired on the Chinese forces at Chalainor, following which there was an attack by cavalry that resulted in several being killed and wounded on both sides. At Mishan, a town located on the Sino-Siberian border northward of Pogranichnya, a force of so-called "irregulars" raided the city, burned considerable property, including the office of the Chinese agent of the International Harvester Company, following which they withdrew. The Chinese allege that the attacking force wore "mixed" military uniforms and civilian attire. Since the Soviet Government has disavowed any connection with these incidents, the Chinese are of opinion that these attacks were secretly inspired by the Soviet authorities for the purpose of bringing pressure upon the local officials in Manchuria with the object of forcing them into a conference and a settlement of the Chinese Eastern Railway issue, independently of the National Government at Nanking.

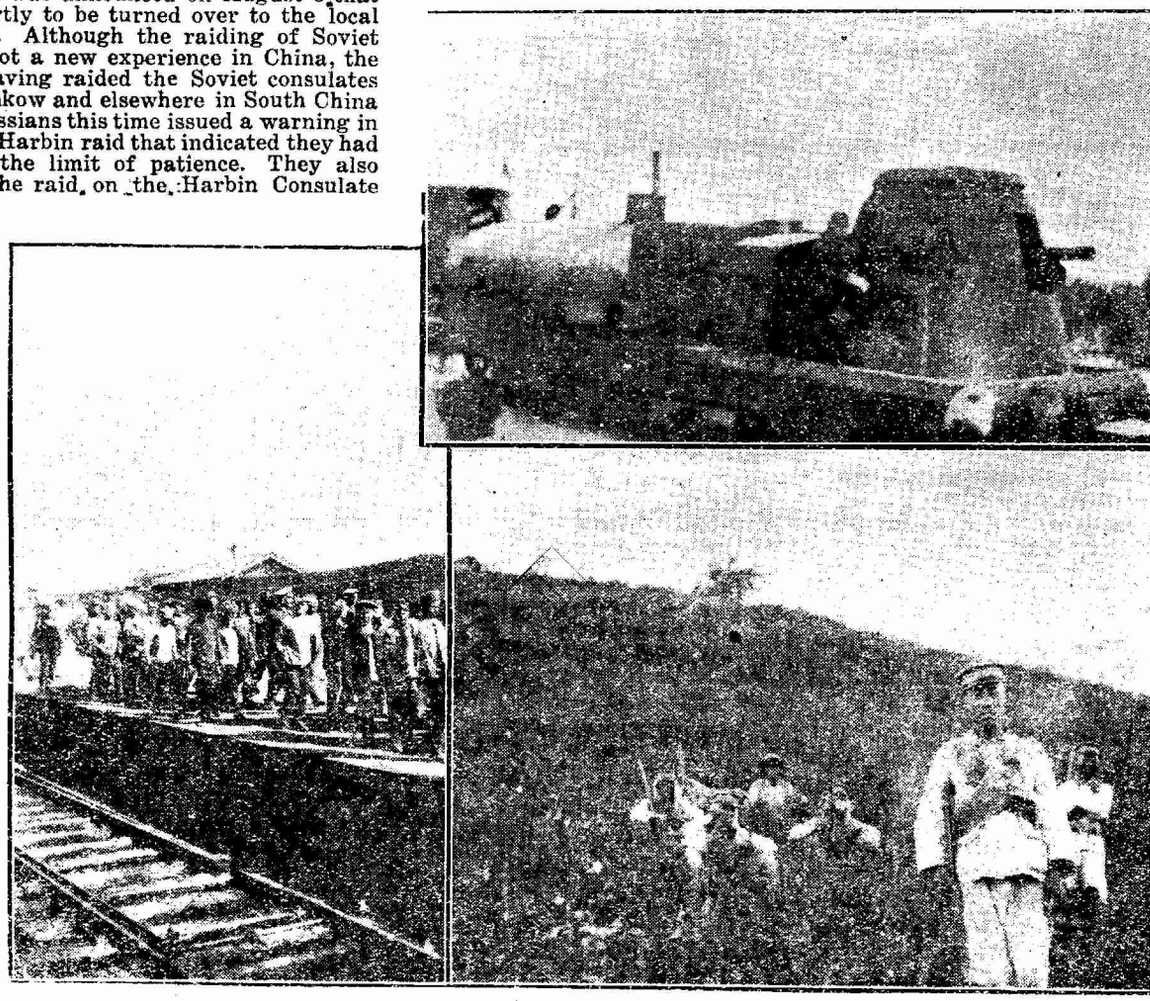
Chinese Activities

In the meantime the Manchurian authorities have been massing troops along both branches of the Chinese Eastern Railway, the number of troops now mobilized being estimated at 160,000, and the largest number being stationed along the branch from Harbin to Manchuli. Behind the lines, particularly at Harbin, Tsitsihar, Hailar, and elsewhere the Chinese authorities have been rounding-up Soviet citizens, employes of the Railway who have been guilty, or at least charged with strikes or attempts to prevent the operation of the railway. Probably between 250 and 400 Soviet citizens have been arrested and deported and according to reports in Harbin on August 27 some 800 additional Soviet citizens were being held in concentration camps in the Harbin vicinity. The direct cause of this radical Chinese action, according to official Chinese announcements, was a number of incidents along the railway ranging all the way from the throwing of bombs into engine cabs to the derailing of freight and passenger trains. High explosives were found near several bridges, especially the long bridge crossing the Sungari at Harbin. The engine of a mail and passenger train near Pogranichnya was entirely destroyed by dynamite resulting in the killing of the engineer and several assistants.

In view of this situation, it is almost correct to state that a war situation actually exists although there has been no declaration and both sides claim to be observing the letter and spirit of the Kellogg Anti-War Pact. From the standpoint of the Soviet Russians the

Chinese allege that some 3,000 Chinese citizens, residents of Siberia, are being held prisoners in Siberian concentration camps. The Chinese allege that these prisoners are being badly treated; that the Russians have refused to evacuate them in accordance with promises made to the German consular officials in China who have been looking after Chinese diplomatic affairs since the break in relations between China and the Soviet.

The present trouble between China and Soviet Russia had its inception in the raiding of the Russian Consulate in Harbin by the Chinese authorities on May 27 last. The Chinese raided the Soviet Consulate in Harbin owing to the allegation that there was being held in the building at the time, a meeting of the Manchurian branch of the Third International. Some thirty-nine Soviet citizens arrested at the time are still being held in the Harbin Court jail, although it was announced on August 5 that they were shortly to be turned over to the local court for trial. Although the raiding of Soviet consulates is not a new experience in China, the Nationalists having raided the Soviet consulates at Canton, Hankow and elsewhere in South China in 1928, the Russians this time issued a warning in the case of the Harbin raid that indicated they had about reached the limit of patience. They also declared that the raid on the Harbin Consulate was a "frame-up" alleging that the Soviet citizens who were arrested at the time were merely in the building for the purpose of obtaining passports. They also alleged that the communistic documents seized by the Chinese authorities had been faked and "planted" in the building for the purpose of justifying the Chinese action. The Japanese news services at the time of the raid, however, stated the opinion that the raid on the Soviet Consulate was merely a "preliminary move" on the part of the Chinese authorities, for the seizure of control of the Sino-Russian jointly owned and operated Chinese Eastern Railway.



Left: **Scene at the railway station in Harbin, when Chinese military authorities were deporting Soviet employes of the Chinese Eastern Railway. Thousands of "red" and "white" Russians turned out to watch the spectacle.** *Above right*: **One of the Soviet armored cars, at Manchuli station on the Chinese Eastern Railway. According to Chinese intelligence statistics the Russians have more than 50 of these cars in Siberia.** *Below right*: **A Chinese scouting party on the so-called Eastern front in the vicinity of Pogranichnya. Most of these troops are under the divisions of Kirin province, but actually they are immigrants from Shantung.**

Hours of Work and Wages on C. E. R.

Since the U. S. S. R. had given China a solemn warning at the time of the raiding of their consulate in Harbin on May 27 it was not unexpected that dramatic developments should follow the further Chinese action on July 10 and 11 when the Chinese authorities in Harbin seized control of the telegraph department connected with the Chinese Eastern Railway and at the same time arrested and deported most of the responsible Russian heads of the railway. The actual number arrested and deported is not known, but has been reported from 200 to 450. It was stated in Harbin early in August that approximately 1,000 Soviet Russian citizens connected with the railway had either been discharged or had voluntarily quit their jobs. The total number of Russian citizens employed on the railroad, according to the Chinese President, Lu Yung-kuan, was 12,000 which figured out at approximately twelve to the mile, while the number of Chinese employes was about 8,000. Of the 3,000 employes in the head office in Harbin, 2,000 were Soviet citizens, or at least they professed to be Soviet citizens in order to hold their jobs, since the Sino-Russian Agreement of 1924 specified that only citizens of Russia and China could be employed. The Chinese Eastern Railway is the only industrial enterprise in the Chinese Republic where white men and yellow men receive the same scale of pay. It probably is also correct to say that the scale of pay is higher than elsewhere in China, the ordinary Chinese or Russian laborer receiving from 60 to 70 cents (gold roubles) per day, while foremen received from 50 to 70 gold roubles monthly. Estimated in Harbin paper currency, this meant that the ordinary day laborer received more than $1 a day while the foremen receive more than $100 monthly. According to current rates the Harbin paper dollar is worth about 30 cents in American money.

It should be stated in this connection, however, that Chinese wages are generally higher throughout Manchuria than they are in Central and South China because this is the only place in the Chinese Republic where there is always a labor scarcity. From the standpoint of Russian labor it should also be stated that the Russians in North Manchuria come into direct competition with Chinese labor, hence, other things being equal, white and yellow labor receives the same pay, it not being unusual to observe Russian and Chinese laborers employed on the same job working under the directions of either a Russian or Chinese foreman.

Another significant element in the operation of the Chinese Eastern Railway from the standpoint of the extension of Soviet labor principles into the Far East,

has to do with the hours of work for employes. For example the hours for the 3,000 employes of the head office in Harbin are from 9 a.m. to 3 p.m. with a half-hour off for lunch, or tea, as the Russians call the noon hour. In the summer time the hours are from 8 a.m. to 2 p.m., also with a half-hour off for tea at 12 o'clock noon. This means that the employes of the head office only work five and a half hours daily. As for the ordinary laborers numbering about 17,000, Chinese and Russians, the hours are from 7 a.m. to 4 p.m. with one hour off for tea or luncheon and one-half day off on Saturdays. This means that the Russians have introduced the 8-hour day for all common laborers on the railway, a matter of very great significance when it is known that Chinese laborers elsewhere in China, but especially at such industrial centers as Shanghai, Tientsin, Hankow and Canton work from 12 to 15 hours. However, the Chinese allege that this has not been all altruism on the part of the Soviet Russians and has led to abuses which have made it next to impossible for the railway to show a profit, but more on this point later on.

"Communistic Intrigue"

Since the beginning of the trouble between the Chinese and Russians over the control of the Chinese Eastern Railway, one has heard much about so-called "communistic" intrigue on the part of the Soviet Russians residing in Chinese soil, but it has remained for the Chinese to invent a new and more expressive term, "Red" imperialism, which has been used to designate the imperialistic activities of the Red Russian Communistic State, or to use the correct title, "Union of Socialist Soviet Republics." Aside from the political elements involved, regarding which more will be stated later on in this article, the chief trouble seems to have been due to the activities of the labor unions which had been organized among the Soviet employes on the railway. The Chinese officials in Harbin allege that most of the 39 Russians arrested in the raid on the Soviet Consulate in Harbin on May 27 were heads of these various labor unions which functioned among the 12,000 Soviet citizens employed on the road. It was through these labor unions, communistic in nature, that propaganda of a "red" imperialistic nature was being spread in China, according to the Chinese point of view. It is possible that the facts may be brought out in the trial of the 39 Soviet citizens who were arrested in the Harbin consular raid, but there seems to be little ground for dispute that the Soviet Government or the Communist Party was using its position on the railway to further Russian interests in North Manchuria, or that Soviet influence was being spread through the Russian labor unions. The Chinese allege that Russian employes of the railway who became members of the Communist Party, always received better pay than those who refused to join the party. Since there are many thousands of white Russians, or emigres, residing in Manchuria, the extension of Soviet propaganda in this area led to the coinage of an expressive phrase, "Russian radish" which was used to designate a "white" Russian who had become "red" in order to obtain a job on the railway. In other words, these persons were known as "radishes", that is red on the outside and white within.

There are many outward manifestations of what the Chinese call "red" imperialism in respect to the management and operation of the Chinese Eastern Railway. For example there was a serious controversy over the flag which was to be used over the railway properties, the Chinese insisting upon their flag, and the Soviet upon its national emblem, the controversy resulting in a deadlock and the use of both flags, sewed together, with the Chinese National flag on top, and the U. S. S. R. flag with the scythe and hammer on the bottom. Practically every Russian, and many Chinese employes of the railway wear emblems on their cap visors that remind one of the U. S. S. R. "scythe and hammer" emblem, but on closer inspection it is found that in place of the Soviet emblem the figure consists of a crossed hammer and monkey-wrench, or a crossed hammer and anchor, or some other laborer's tool, depending upon the department where the laborer happens to be employed. Caps or hats bearing these emblems are on sale in most of the leading retail stores in Harbin, the style being similar to the Russian military headgear.

Exclusive Use of Russian Language

Another visible manifestation of so-called "Red" imperialism, which really is a hang-over from the old Czarist regime, was involved in the practically exclusive use of the Russian language throughout the service of the Chinese-Eastern Railway. In the old days of the Czarist regime the railway was an imperial Russian enterprise running through territory which the rulers of Russia expected ultimately to annex to the crown. While the exclusive use of the Russian language was excusable under conditions which prevailed on the railway during the Czarist period, it obviously was not excusable under present-day conditions, provided the Soviet Russians were sincere in their declarations at the time of the 1924 agreements between Peking and Moscow and between Mukden and Moscow, in both of which the Russians indicated their intentions of ultimately turning the railway over to the Chinese at the end of a stated period or sooner, in the event the Chinese desired to buy out the Russian interest. The Railway issues a number of reports and publications, some of them in periodical form, which contain excellent information regarding the economic situation in Manchuria, but with two exceptions they are issued in the Russian language exclusively. In the case of an economic monthly, a bulky magazine owned by the railway which contains commercial advertisements, the language is Russian with the exception of a few pages in English, which apparently are inserted for the benefit of American and British advertisers in the publication. This magazine contains no Chinese at all, and this also applies to all the other publications of the Railway, with the exception of the small journal for Chinese employes which is printed in Chinese. The annual statistical yearbook for 1929 is in Russian and English, hence unintelligible for most Chinese. All forms used by the railway, including the tickets for passengers, orders for staff, train orders, telegrams, are in the Russian language. The members of the Russian staff, however, who come in contact with the public, usually speak Chinese as well as their own language.

The exclusive use of the Russian language on the Chinese Eastern Railway has made it practically impossible for any Chinese, who has not been educated in Russia, to obtain a position on the road. This has had the effect of barring from the line several hundreds of American and European educated Chinese who practically control the operation of the other railways on Chinese soil, with the exception of the Japanese Government-owned South Manchuria line. There are a few American, German and English-educated Chinese employed, but it has been necessary for them to learn the Russian language, a process requiring at least two or three years. Both the Chinese President of the road, Lu Yung-huan, and the Chinese General Manager, Fang Chi-kuan, were educated in Russia and speak the Russian language. All Chinese employes at the various railway stations speak Russian, most of these men being graduates of the Russian language schools maintained by the railway administration at Harbin and the other chief cities and towns along the railway from Vladivostok to Manchuli.

"Communistic Propaganda" Undefined

While one hears much in North Manchuria about the so-called "communistic" propaganda which the Soviet Russians were spreading as a result of their control of the Chinese Eastern Railway, it is difficult to induce any Chinese, official or civilian, to give an exact definition of what is meant by *communistic* propaganda. The writer has asked Chinese of high and low degree for such a definition and aside from the activities of the labor unions maintained among the Russian employes on the railway, which undoubtedly received their inspiration from the Communist Party in Russia, most Chinese are very indefinite when pinned down to an exact statement of what the Russians were doing that caused the Chinese to adopt such extreme measures. When proceed for a reply to this question, most Chinese familiar with the situation in North Manchuria, begin relating specific instances of so-called Russian "aggression" which they have lumped under the general heading of "communism," but which actually have nothing to do with the doctrine of Communism to which the Soviet State professes adherence. Aside from the element of officially-supported labor unions, adoption of short working hours, welfare, educational and recreational facilities for laborers, Chinese as well as Russians, there is little that the Russians have done in North Manchuria that can be definitely put down as "communistic." The facts in the situation seem to be that the Chinese have found the term "communism" a convenient peg upon which to hang their opposition to Russian aggression in North Manchuria. Instead of propagating Communism in North Manchuria, the Soviet Russian State has been guilty of nothing more nor less than good old fashioned "imperialism" which has been

practiced at the expense of the Chinese by practically every nation on the face of the earth.

It is impossible to understand Soviet Russian policy toward China without studying conditions in North Manchuria and even here it is a difficult problem owing to the smoke-screen of conflicting propagandas which are maintained by "white" and "red" Russians, the Japanese, and at least four different political elements among the Chinese. Then in addition there are other brands of European propaganda and intrigue which serve to keep the Manchurian political pot boiling. For example, a high French official in Shanghai informed the writer that the French were deeply concerned in the problem of the Chinese Eastern Railway because the French had supplied, in the form of a loan to the old Czarist Government, approximately 75 percent of the capital of the old Russo-Asiatic Bank which was the financial organ that constructed the Chinese Eastern Railway. However, a Chinese official in Mukden, of whom the writer asked an explanation of the French interest in the Manchurian problem, replied to the effect that the French interest in the Chinese Eastern Railway problem was due purely to the fact that the French suspect that the Germans have a secret understanding with the Soviet Rusisans and are giving them diplomatic support in connection with the present Sino-Russian crisis. The fact that the German diplomatic and consular officials in China have taken over Russian diplomatic interests in China since the breaking-off of relations between China and Russia has naturally been responsible for this report, but aside from this there is no questioning the fact that there has been a tremendous development of German commercial business in Manchuria in recent years. One sees German goods on every side and according to representatives of American business houses in this area, the Germans provide the hardest competition for American firms and statements are frequently heard that the German business houses are rapidly displacing the British in most major business deals in this territory. A young Chinese official in Mukden, an American returned student, explained the circumstance of Germany's trade revival in this area on the grounds "that Germany had surrendered her exterritorial rights." This explanation, however, would not apply in the case of the Russians, particularly the "Whites" who have no praise for the Chinese courts or administration of justice and who are conducting a constant propaganda against the Chinese courts on the grounds of miscarriage of justice. A Russian photographer in Harbin tried to sell the writer a number of pictures, allegedly showing the torture of Russian prisoners in Chinese jails but next to this pile of pictures in his show-case was another pile of quite similar pictures allegedly showing the torture of Russian "whites" by the "red" courts in Soviet Russia. The fact that many thousands of "whites" continue to reside on the Chinese side of the boundary would seem to indicate that between the two forms of "torture" the "white" Russians seem to prefer the Chinese brand.

"Red Imperialism"

To get back to the question of Soviet Russian "imperialism" in North Manchuria, the best indication of Chinese reaction on the question was contained in a proclamation issued by the Harbin Branch of the Kuomintang Party on July 29, the full text of which was

"The Chinese Eastern Railway has been permitted to exploit China and oppress the Chinese people for the benefit of Soviet Russia. Now the Chinese people in Manchuria, under long oppression of the imperialists, have begun to awaken. After the October revolution in Russia, the Soviet Government sent two manifestos to China, one in 1919 and the other in 1920, both of which were broadcasted in North and South China. In these two manifestos, the Soviet Government declared its desire to return to the Chinese people, all rights which had been taken from China by the old Czarist Government. At that time the Canton Government of the Kuomintang Party believed that Russian declaration and determined Kuomintang policy on that basis. Fraternal relations were established between the Kuomintang and the Soviet Government.

"But the situation is quite different today. According to our understanding, the Soviet Union is trying to destroy the democratic revolution of our Party and is placing obstacles in the way of the unification of the Chinese Republic. The policy of the U. S. S. R. toward the Chinese Eastern Railway has changed. Russia has never put the 1920 manifesto into force. The Soviet Government is still using the policy of Czarist Russia and is even using stronger methods than were used by the Czar. The Soviet Government arbitrarily controls the Chinese Eastern Railway and utilizes its finances for their own purposes. According to the point of view of the U. S. S. R. the Chinese Eastern Railway is a property inherited from the Czarist regime to be used and enjoyed exclusively by Soviet Russia. Moreover, the U. S. S. R. is seeking to make connections with certain "white imperialisms" (referring supposedly to Japan), which has caused extreme indignation among the Chinese people who are the owners of the territory through which the railway passes. For the sake of the emancipation of the people of Manchuria from all imperialisms, the Chinese Government must take back all the rights of the Chinese Eastern Railway, without qualification. The people of Soviet Russia must understand our point of view from the standpoint of justice and carry out their manifesto of 1920 and give their consent to the desires of the Chinese Government in respect to the Chinese Eastern Railway. If the Soviet Government will do this, we can re-establish our fraternal relations with the people of Soviet Russia.

"If the Russian people do not follow this course they will give support and encouragement to those whose propaganda has caused trouble on the Chinese Eastern Railway and who have been expelled by the Chinese Government. Unless the Soviet Government disavows the actions of her citizens in connection with the Chinese Eastern Railway, the Chinese people will never again believe the Soviet Union or its people in future.....(section deleted by censor).....The U. S. S. R. utilized the money of the Chinese Eastern Railway and gave it to the Chinese Communist Party for propaganda purposes and in this connection employed bad Koreans, and Chinese "bandits" for the purpose of spreading red propaganda in North Manchuria and in propagating movements against the Chinese social order.

"Recently, in spite of China's attempt to adopt a correct and just attitude toward the Chinese Eastern Railway, the U. S. S. R. violated all diplomatic relations by sending troops to the border and in addition caused Soviet military airplanes to fly over Chinese territory. Soviet troops stationed adjacent to the Chinese boundary also fired their guns across the line into Chinese territory. Also we have reports that the U. S. S. R. has sent cavalry into Sinkiang and Mongolia. These actions are a menace to all weak and oppressed peoples. Soviet oppression of the Eastern masses is becoming open and apparent. Soviet Russia's so-called help to the weak and oppressed peoples of the world, now turns out in reality, to be nothing short of oppression by the force of the U. S. S. R. The slogan of 'world Revolution' turns out to be nothing at all. All oppressed peoples of the world should become conscious now because it is necessary for them to unite against the U. S. S. R. which is the country of the 'Red Imperialism.'

(Signed) All Members of the Harbin Branch of the Kuomintang."

Published in the July 29 issue of the Harbin *Morning Light.*

This proclamation of the Kuomintang branch in Harbin was interesting in many ways, not the least of which was that it was the first open manifesto ever put out, by the Kuomintang in Manchuria. Regardless of how openly the Kuomintang Party operates in the territories of China south of the Great Wall, it has, up to the present, existed "underground" in Manchuria owing to the opposition of the old-style, reactionary generals in the Three Eastern Provinces. Gen. Chang Hsueh-liang, head of the Manchurian Government at Mukden, is popularly supposed to be a member of the Kuomintang and is closely allied to the National Government at Nanking, but actually his power in Kirin, Fengtien and Heilungkiang provinces is strictly limited by the so-called "Old Mukden Faction" which actually controls the troops and largely dominates the situation despite the fact that the younger and more liberal elements in this territory look toward the "Young General" and Nanking for political leadership. The friction between the "old" and "new" Mukden factions has been closely connected with the recent trouble with the Soviet Russians on the Chinese Eastern Railway, but more on this point later. That the present trouble has been utilized by the Kuomintang Party and the National Government which it controls, for the purpose of increasing Kuomintang influence in Manchuria is obvious. It hasn't been many months since Kuomintang propagandists who turned up in Manchuria were promptly arrested and thrown in jail. Now they travel about openly and gradually are getting their organization into working order with branches in most of the chief cities.

Soviet cy Since 1920

The chief significance in the Kuomintang proclamation which was issued in Harbin on July 29, however, was

due to the fact that it gave a fairly clear insight into Soviet policy toward China since 1919-1920. Since it is just as difficult to analyze the motives of nations as it is to fathom the motives of individuals, it is impossible to say what motive inspired the Soviet Government in 1919 and 1920 to notify China that the U. S. S. R. desired to relinquish control of the Chinese Eastern Railway and other so-called Czarist "rights" within Chinese territory. Shortly following the issuance of these manifestoes, the Soviet Government sent emissaries to China for the purpose of negotiating for recognition and a resumption of diplomatic relations. These delegations first visited Manchuria and discussed the situation with Marshal Chang Tso-lin at Mukden but being unsuccessful, they proceeded to Shanghai and Canton where they were more successful in negotiating with Dr. Sun Yat-sen and his associates in the Kuomintang. To be perfectly fair to the controllers of Moscow who were responsible for Soviet policies toward China a decade ago, one should probably say they were inspired by mixed motives of altruism and imperialism. The Soviet revolution which destroyed the old Czarist State also destroyed Russian power in the Far East as measured in terms of military strength through which old Russia had hoped to carve out an Oriental Empire. The Soviet undoubtedly hoped to regain this power by adopting new methods; appealing to the natural desire of the awakening Chinese to recover their so-called "rights" which had been lost as a result of European imperialistic aggression. But mixed up with this desire to recover lost rights, there undoubtedly was a considerable amount of altruism or whatever one might wish to call it, otherwise a desire to help the so-called "oppressed" peoples of the Far East.

Furthermore this was good politics against Great Britain, France and other European nations which possessed special concessions in China. It was especially good politics at Canton where a century-old struggle with British imperialism as represented in the Crown Colony of Hongkong had been in existence. Therefore Soviet Russia "offered" to return all Czarist interests in North Manchuria to China, but she never actually took the decisive step and when in 1924 negotiations were held in both Mukden and Peking over the Chinese Eastern Railway question Soviet Russia maintained actual control, although granting China a nominal half interest in the property. Had the Kuomintang revolution of 1926-1927 gone over as a "red" revolution in close alliance with the Soviet with Soviet advisers at the helm as they had been at Canton and Hankow, there is a possibility that the U. S. S. R. might have fulfilled her original offer to return the railway, but in that case China would have been so closely linked up with Soviet Russia that it probably would have been difficult to determine the difference between the "red" Kuomintang of China and the "red" Communist Party of Russia. That the U. S. S. R. has continued to hold and even strengthen her position on the Chinese Eastern Railway since the collapse of the Soviet adventure in South China and the Yangtse Valley in 1927, has undoubtedly been due to the desire of Moscow to use the control of the railway as a bartering point in her general relations with the Chinese Republic.

Russia and Japan in Manchuria

In a recent interview with a number of American newspaper correspondents at Harbin one of the high Chinese officials of the Chinese Eastern Railway discussed at length what he termed Soviet Russian "imperialism" in connection with the control of the Chinese Eastern Railway. When he had finished his discussion, one of the correspondents asked him whether Soviet imperialism on the Chinese Eastern Railway was any different from Japanese imperialism on the South Manchuria Railway. Without hesitation he replied that there was no essential difference in the ultimate objective of the two nations, Russia and Japan, although there was a wide difference in the methods. He declared that the methods of the U. S. S. R. were more difficult to combat, but declined to reply when asked for an opinion as to what the Japanese would have done had China acted similarly toward the Japanese Government-owned South Manchuria line, that is, arrested and deported the officials and assumed control of the operation of the railway.

Construction of the Railway

Although the Chinese action on July 11 in arresting and deporting a number of high Soviet Russian officials of the Chinese Eastern Railway produced an international sensation and still threatens to precipitate a war between China and the U. S. S. R., it has been no secret in the Far East that China has for a considerable period been gradually cutting down the prerogatives of the railway and the Russians connected with it. In order to understand what has been taking place it is necessary to review briefly the history of the railway which was completed in July, 1903, the monumental job having been finished in five years. The incentive that drove the Czarist Government to this task of completing a 1,600 mile railway, equivalent to one-half the distance across the United States, and across an unknown, and practically uninhabited country, within the brief period of five years, was the incentive of impending war with Japan which came early in 1904, the year following the completion of the line. The Russian job was all the more remarkable when it is realized that the construction work proceeded, practically without cessation, through the period of the Boxer Rebellion which disrupted conditions throughout most of China's territories. Practically all the labor had to be transported to the construction work from European Russia and the more densely populated coastal provinces of China. Naturally it was unskilled, and in addition to other handicaps there was a total lack of reliable geographical and topographical data. The obstacle of the Great Hingan Mountain range was overcome by the construction of a two-mile long tunnel and while they were at it, the Russians made the tunnel sufficiently wide for a double-track. The total cost of the line was G.$223,332,502.00, including the cost of the South Manchuria branch to Dairen which amounted to G.$40,507,732. The chief credit for pushing through this important job belongs to the Russian Count S. J. Witte who was also the genuis behind the construction of the Great Siberian line, the longest railway in the world. The contract was signed on the Chinese side in 1896 by Li Hung-chang, one of China's best known statesmen of the day. But while the contract was signed in 1896, the way had been prepared for China's consent to the construction of the railway across her territories somewhat earlier, or in 1895 when Russia came to China's rescue and guaranteed the payment of China's indemnity to Japan following the Sino-Japanese War. The Russians claim that Count Witte personally negotiated this loan with Paris bankers and gave Russia's guarantee to make payment in the event of China's default. It was in connection with this loan that the Russo-Chinese Bank, which later through amalgamation with the Bank du Nord became known as the Russo-Asiatic Bank, came into being. The Russo-Asiatic Bank became the chief financial organ for the financing of the Chinese Eastern Railway and since approximately 75 percent of its capital had been raised in France, it is in this connection that the present-day French Government claims an interest in the Chinese Eastern line. Recently a number of French financiers organized a new bank in Manchuria known as the Franco-Asiatic Bank, which according to popular report in Mukden and Harbin, was supposed to be the logical successor to the now defunct Russo-Asiatic Bank. It was stated that the new French bank had taken over almost the entire staff of the old Russo-Asiatic Bank, when the latter was liquidated by the Chinese officials.

Soldiers for Defense

As stated, it was the high necessity of an immediate short-cut to the Pacific Ocean that caused the Czarist Government to overcome all obstacles and drive a railway across a hitherto unknown virgin country for 1,600 miles in the brief period of five years. The need of the railway was immediately apparent for war with Japan broke out in 1904, one year following the completion of construction. While the war threw an almost impossible burden upon the new single-track line, indiectly it had the effect of developing it quickly into a remarkable railway property, the reason again being high necessity. Since the Chinese Eastern Railway was situated in the very heart of the war activities, it naturally had to burden itself with enterprises which ordinarily are foreign to the administration of a railway. For example, it was necessary for the railway to undertake the matter of supplying food for the Russian army; likewise it had to supply building materials and manage construction for army cantonments. The quartermaster, sanitary and engineering work for the army were also organized by the railway. Since it was necessary to develop shipping on the Sungari and Amur Rivers, the Railway organized a steamship department and shortly had fleets of steamers plying these streams. Finally, it was necessary for the railway to construct fortifications for its own defense, which meant soldiers to man the fortifications and ultimately the organization of a small army of railway guards, Russians, employed and financed by the railway and subject to the orders of the management.

(To be concluded in next week's issue of the Review)

50-058

British Reply To China's Note On Extraterritoriality

Peking, August 10

His Excellency
Dr. C. T. Wang,
Minister for Foreign Affairs,
Nanking.

Sir,

I have the honour to acknowledge the receipt of your Note of April 27, in which you informed me of the desire of the Nationalist Government of the Republic of China that the restrictions imposed on the jurisdictional sovereignty of China by the system of Extraterritoriality now in force should be removed at the earliest possible date with a view to the assumption of jurisdiction by China over all nationals in her domain.

I have communicated the contents of your letter to my Government, and I am now instructed to transmit to you a reply in the following sense.

Animated by the friendly feelings which they have always entertained towards the Government and people of China, His Majesty's Government have given their sympathetic consideration to the request of the Chinese Government relating to the abolition of extraterritorial jurisdiction in China. The high importance of this subject in its bearing both on the political developments of China and the future relations between China and Great Britain appears to demand that it should be closely examined from every aspect. In particular, a just appreciation of the reasons for which and the manner in which the present system of Extraterritoriality came into existence seems essential to a consideration of the proper method for dealing with the problem.

The system of Extraterritoriality in force in China has its roots deep down in the past.

For thousands of years before science had improved communications, the Chinese people were secluded from the rest of the world by deserts and the ocean, and they developed a civilisation and a polity peculiar to themselves. A wide gulf was thus fixed between Europe and America on the one had and China on the other.

In particular, the conception of international relations as being the intercourse between equal and independent States — a conception which was woven into the very texture of the political ideas of the nations of the West— was entirely alien to Chinese modes of thought. When the traders of the West first found their way to the coast of China, the Chinese Government found it difficult to allow them freely to enter into their country and mingle with their people. Nor did they recognise that the nations to which they belonged were the equals of China. These traders were therefore confined to a single city in one corner of the Empire, and while on the one hand they were subjected to many disabilities and to grave humiliations, on the other hand, by a species of amorphous and unregulated Extraterritoriality which was the natural outcome of these conditions, the responsibility of managing their own affairs and maintaining order amongst themselves was in some measure left to their own initiative.

The relations continued for many years upon this insecure and unsatisfactory footing. Friction was often dangerously intense and conflicts not infrequently arose, generally out of demands that some innocent person should be surrendered for execution to expiate perhaps an accidental homicide, or that foreign authority should assume the pesponsibility for enforcing the revenue laws of China.

The object of the first treaties was to secure recognition by China of Great Britain's equality with herself and to define and regulate the Extraterritorial status of British subjects. The relations between the two countries having thus been placed on a footing of equality and mutual respect, Great Britain was content that her nationals should continue to bear those responsibilities and to labour under those disabilities which respect for the sovereignty of China entailed upon them. Conditions did not permit the general opening of the interior of China, and the residence of foreigners has consequently continued down to the present day to be restricted to a limited number of cities known as Treaty Ports.

His Majesty's Government recognise the defects and inconveniences of the system of Consular jurisdiction to which the Government of China have on various occasions drawn attention. In 1902, in Article XII of the Treaty of Commerce between Great Britain and China signed in that year, His Majesty's Government stated their readiness to relinquish their Extraterritorial Rights when they were satisfied that the state of Chinese laws, the arrangements for their Administration, and other considerations warranted them in so doing. They have since watched with appreciation the progress which China has made in the assimilation of Western legal principles; to which reference is made in your Note under reply, and they have observed with deep interest the facts set out and the recommendations made in the report of the Commission on Extraterritoriality in the year 1926.

More recently, in the declaration which they published in in December, 1926, and the proposals which they made to the Chinese authorities in January, 1927, His Majesty's Government have given concrete evidence of their desire to meet in a spirit of friendship and sympathy the legitimate aspirations of the Chinese people. They have already travelled some distance along the road marked out in those documents, and they are willing to examine, in collaboration with the Chinese Government, the whole problem of Extraterritorial jurisdiction with a view to ascertaining what further steps in the same direction it may be possible to take at the present time.

His Majesty's Government would however observe that the promulgation of codes embodying Western legal principles represents only one portion of the task to be accomplished before it would be safe to abandon in their entirety the special arrangements which have hitherto regulated the residence of foreigners in China. In order that those reforms should become a living reality, it appears to His Majesty's Government to be necessary that Western legal principles should be understood and be found acceptable by the people at large, no less than by their rulers, and that the courts which administer these laws should be free from interference and dictation at the hands not only of military chiefs but of groups and associations who either set up arbitrary and illegal tribunals of their own or attempt to use legal courts for the furtherance of political objects rather than for the administration of equal justice between Chinese and Chinese, and Chinese and foreigners. Not until these conditions are fulfilled in a far greater measure than appears to be the case to-day will it be practicable for British merchants to reside, trade and own property throughout the territories of China with the same equality of freedom and safety as these privileges are acorded to Chinese merchants in Great Britain. Any agreement purporting to accord such privileges to British merchants would remain for some time to come a mere paper agreement to which it would be impossible to give effect in practice. Any attempt prematurely to accord such privileges would not only be of no benefit to British merchants but might involve the Government and people of China in political and economic difficulties.

So long as these conditions subsist there appears to be no practicable alternative to maintaining, though perhaps in a modified form, the treaty-port system that has served for nearly a century to regulate intercourse between China and British subjects within her domain. Some system of extraterritoriality is the natural corollary for the maintenance of the treaty-port system and the problem as it presents itself to His Majesty's Government at the present moment is to discover what further modifications in that system beyond those already made and alluded to above it would be desirable and practicable to effect.

His Majesty's Government await further proposals from the Nationalist Government as to the procedure now to be adopted for examining this question, and they instruct me to assure Your Excellency that they will continue to maintain towards any such proposals the same friendly and helpful attitude to which Your Excellency has paid so generous a tribute in the concluding paragraph of your Note under reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Sgd.) Miles W. Lampson

Reuter's Pacific Service September 4, 1929

Arrival of Chang Hui-chang Delayed

A large crowd which had gathered at Lunghwa Aerodrome at noon September 3 to witness the arrival in Shanghai of General Chang Hui-chang, newly appointed chief of the Aviation Department of the Ministry of War, was disappointed when the airplanes failed to appear. The reason given for the delay was that instead of coming directly to Shanghai from Amoy, the General and his staff of pilots stopped off at Hangchow. The squadron which General Chang is heading consists of six planes, four Waco speed plans and two Ryan monoplanes. General Chang was scheduled to leave Shanghai on Wednesday morning to take over his duties as chief of the Aviation Department of the Ministry of War.

Pillagers Continue to Menace Hailar Districts

BY J. A. COOKLIN

Hailar, August 27, 1929.

During the last month the writer has been in a position to secure satisfactory evidence of much of the pillaging, sporadic attacks and invasions reported in the Barga District and in the neighborhood of Hailar.

Substantial information established that one of the most serious incursions took place on August 7, when, some 90 miles from Hailar, four groups, each composed of 70 armed horsemen, crossed the Argun River where it forms the Sino-Russian border. Disarming the Chinese border guard who had been posted on the Chinese bank of the river, the invaders proceeded to pillage the town. Among the different kinds of merchandise which they carried away was a rich prize of flour. This had been bought in the past largely by the Russian, who despite a strict prohibitation against the patronage of the Chinese merchants here, had been compelled, because of the shortage of grain in Russia, to cross the river and buy from the local stores. They were in the habit of exchanging horses, agricultural implements, etc., for the flour.

After they had been disarmed, the Chinese guards were given their liberty and they, in company with a number of merchants at this point, fled to Hailar. They reported that the Russian guard in these border regions now numbers at least one squadron of cavalry for every village situated along the border line. Normally there are but a dozen horsemen patrolling the border at these places.

About August 11 an armed band of marauders captured a large quantity of butter belonging to D. M. Voronstoff, a well-known timber merchant, and holder of important forest concessions in north Manchuria. One of his cart trains was carrying the butter from a village in the Three Rivers region to Yakishy, a station on the C. E. Railway, from where the butter was to have been shipped to Harbin. Retreating with the butter the robbers left word saying they would return it upon the payment of an exorbitant sum, which Voronstoff declined to deliver.

Raid on Mongolian Camp

A few days previous to this occurrence, some ten miles from Ugu-nor, the first station west of Hailar, a band of 8 armed horsemen raided a Mongolian camp, consisting of 4 tents. They retired, carrying with them all the Mongolians' silver, supplies and valuable articles. Another incident which occurred about the same time was the experience of a resident of Hailar, who was met by a band of desperadoes on a road a short distance from this city. Fleeing to a farm nearly, where a patrol of Chinese troops was stationed, he informed them of the meeting. The Chinese soldiers pursued the bandits and drove them from the vicinity, capturing some of them.

A resident of Tragan about the same time was robbed of horses while working in his fields. Shortly after this was reported it became known that a farmer near Manchuli had suffered a similar outrage when 20 head of cattle were driven from his land and captured by what were reported to be soviet troops.

About August 14 it was learned here that a boat containing 16 persons, men and women, which had started from Chi Chang Tian, a small town on the Argun river, for Shi Wai-sian, was captured by a number of Russians in the following manner. While the boat was proceeding up the river a band of Soviet soldiers suddenly appeared on the bank and began firing at the passengers, motioning the pilot to pull in to shore, or the firing would continue. The crew obeyed the gestures from the river banks, and moored close beside the assailants. Among those captured was a secretary and wife of the chief of Chi Chang Tian district, who, fearful of the rumored conflict between the Chinese and Russian forces, were fleeing to Hailar. It was reported that gold and other valuables to the extent of $30,000 were taken from the passengers. Nothing has been heard of the fate of these prisoners since the report of the incident. The boat is still in the possession of the Russians.

Manchuli Residents Flee

Many residents of Manchuli who had left the town at the beginning of the rumors of war had begun to return to their city until about August 15, when new fears were spread by numerous reports of sacking and pillaging in border districts. An Eastward train was flagged by a group of frightened refugees who were fleeing from what they supposed was an imminent outbreak of hostilities.

People arriving here from Manchuli reported that two Russian planes flew over Manchuli on the 13th.

General Chao, *daoin* of the Hailun-Puir district, concurrently commissioner for foreign affairs, returned from Manchuli on the 13th where he had been staying since the beginning of the conflict, and immediately called a conference of his military chiefs.

It was established here on the 16th of August that the Russian cavalry and artillery had been bombarding Chalainor, a station on the Chinese Eastern Railway, from four until six o'clock of that afternoon. The Russian artillery, it is learned, was located on an eminence somewhere near Alagaintuy, a village about 4.5 miles from the Chalainor.

Since these reports there have been various rumors, difficult to confirm, regarding fighting and firing in and about the Manchuli border region. On the 17th it was reported that a Russian armored train entered Chinese territory and came close to Manchuli, opened fire on some Chinese troops and after about 20 minutes of barrage, retired.

It is next to impossible to secure exact information on the variously reported conflicts, due both to the strict censorship of all matter pertaining to the rumored war, exercised by the Chinese authorities, as well as to the constant wild rumors that are circulated by opposing propagandists. At this writing, however, it seems pretty well established that the border dangers are by no means decreasing and that sporadic attacks are recurring with a frequency that may soon grow seriously alarming. At present there is no indication of a cessation of the village raids and incursions by armed bandits or Soviets.

WHY THE REVIEW WAS LATE LAST WEEK!

It happens in the best of well-regulated publishing houses. Last week, on the *Review's* publication day, one of the page forms was dropped by a careless attendant. Instead of having it reset, the printer put it into one of the presses and it was not till the *Review* had been fully printed, that it was discovered the type in the form which was dropped had been badly jumbled. It was necessary to reprint the entire issue, which entailed a delay of 16 hours. Subscribers in Shanghai and Nanking unfortunately were mailed copies of the *Review* in which the badly mangled type was used. The *Review* has mailed duplicate copies, with the mistakes on this page rectified, to these subscribers.

So if the *Review* was late in reaching you last week, don't blame the postman or the mails. It was our fault—one of those unavoidable accidents which explain why editors are grey-haired at thirty.

American and British Replies to China's Extrality Note Released

The British and American legations at Peiping gave out for publication in September 5th newspapers in China, the full text of the notes of their respective countries, which were recently delivered to China in answer to the April 27th note requesting the abolition of extraterritoriality. The American note was exactly the same as the version printed in the *Tsingtao Times* of August 24, which was reprinted in last week's issue of the *Review*. The British note is printed elsewhere in this number.

It is now established that the American reply was first published in the *Harbin Daily News*, on August 16. It is believed to have been secured from a translation of the note which appeared in a Chinese language Japanese-owned newspaper of north Manchuria.

Retrocession of Belgian Concession in Tientsin

The Belgian Concession in Tientsin was formally turned over to Chinese control August 31 when the rendition agreement was signed in Tientsin. Dr. C. T. Wang, speaking at the Ministry of Foreign Affairs at the Weekly Memorial Services on Monday of this week, praised the Belgian Government highly for the sincerity and friendliness toward China which it had shown in both the return of the Concession and the ready acceptance of Chinese demands for tariff autonomy.

Russia, China, and the Chinese Eastern Railway

BY CHAO-CHU WU

Chinese Minister to the United States

BORN in intrigue, a frequent source of dispute between China and Russia, Czarist and Bolshevik, and one of the causes of the war between Japan and Russia, the Chinese Eastern Railway was built in the years 1897—1901. It forms a part of the great Trans-Siberian Railway and though having for its avowed object the economic reason of shortening the route to Vladivostok by some 570 miles, the real object was its use as an instrument of Russian expansion and domination in Manchuria. The line is entirely within Chinese territory from west to east about 920 miles with another line from Harbin southward of about 600 miles to the ice-free ports of Port Arthur and Dairen, which Russia had then leased from China. As a result of the Russo-Japanese War, some 440 miles of the southern trunk-line was taken over by Japan and has since been known as the South Manchurian Railway. The Agreement of 1869 which granted the right of construction to Russia stipulated that eighty years after the completion of the line, it should revert without payment to China, but in thirty-six years' time China could exercise the right of redemption. It also obligated the Railway on its completion to repay to the Chinese Government the sum of five million Taels which the Chinese Government had paid over for its construction, an obligation which has never been fulfilled.

In 1918 owing to the disorganization of the Railway and its importance for Allied purposes, the Powers suggested that the Chinese Government should take over its administration, but the suggestion was opposed by Japan. In 1919 by international agreement the line was placed under an Inter-Allied Committee which terminated its supervision in 1922. The Washington Conference discussed the subject at some length but nothing important resulted from its deliberations.

In 1924 two Agreements were signed between the then Chinese Government and the Soviet Government, one dealing with general principles for the settlement of pending questions and the other with the management of the Chinese Eastern Railway. The pertinent stipulations of these Agreements are (1) that the Railway is to be a purely commercial enterprise; (2) that its future is to be determined by China and Russia to the exclusion of third parties; (3) that there is to be equal representation of the nationals of the two countries in the departments of the Railway; and (4) that there is to be no propaganda against the political and social systems of either country.

Besides signing these two Agreements with the Peking Government, Russia later in the same year signed another Agreement with the local government at Mukden which was then semi-independent of Peking. This last Agreement is interesting as reducing the period of the concession from eighty years to sixty years, or even less with the approval of the two parties.

Recent Events

We have now come to the events of the last few weeks. China has been represented as suddenly and in violation of the Agreements of 1924 seizing the Chinese Eastern Railway on July 10th. As a matter of fact, China's action was not a seizure of the Railway, was not in violation of the Agreements, and was not even sudden. On May 27th, the Chinese local authorities having received information that a meeting of the members of the Third International was to be held at the Soviet Consulate at Harbin, sent police to raid it. The police thought at first that the information was incorrect, because they saw no sign of any gathering of people, until they came to the basement which they found locked. Effecting a forcible entry they found some forty persons gathered there, a fire in the room, although the temperature did not give any reason for it, and some partly burnt documents in the fire which they immediately rescued. The arrested persons were found to be two Russian Consuls-General, who were however shown every courtesy and immediately released, notorious communist agitators, officials of the Soviet State Trading Agencies, and officials of the Chinese Eastern Railway. A translation of the documents disclosed grave conspiracy against China. These documents are even now being published by the Government for the information of the world. There was not only the usual type of communist agitation and propaganda but there was evidence to show that the conspirators were even trying to instigate civil war in China, to cause injury to the Chinese Eastern Railway, and to commit acts of terrorism and assassination at Nanking, Mukden, and other principal cities. You will observe that it was not only an abuse of China's hospitality but also a misuse of the consular and other official functions by the Russians. There was not only a violation of the 1924 Agreements, but there were treason and murder being hatched.

What another country would have done under similar circumstances is a matter of speculation. What China did was dictated by the most elementary law of self-defence. And she did no more than that. After due deliberation more than six weeks later, on July 10th, she ordered the expulsion or arrest of the officials of the Soviet Consulates, trading agencies, and of the Chinese Eastern Railway, and the closing of the Soviet organizations. In a sense the action against the Consular and the trading officials was more serious, because they were officials of the Soviet Government, whereas the Railway officials were but the employees of a Chinese chartered company. It must therefore be placed to the credit of clever propaganda that the case of the Railway officials has been given so much prominence, while that of the government officials has hardly been heard of.

Soviet Note of July 13

Three days later on July 13th the Soviet Government sent a peremptory note to the Chinese Government demanding (1) the cancellation of China's action contrary to the Sino-Soviet Agreements; (2) the cessation of the persecution of Soviet citizens and agencies; and (3) the calling of a bi-lateral conference regarding the Railway. A time limit of three days was set for reply. The Chinese reply, after justifying China's action and requesting the release of Chinese citizens detained in Russia and the protection of Chinese citizens and organizations in Russia, and assuring the Soviet Government of due and just treatment of its nationals, informed the Soviet Government that Mr. Chu Shao-Yang, Minister to Finland, on his way to his post, had instructions to stop en route at Moscow to negotiate on the Railway and other pending questions between the two countries. This reply was couched in language which even third parties deemed conciliatory.

On July 17th the Soviet Government abruptly recalled its consular and trading officials and the Railway officials from China, requested Chinese diplomatic and consular officials to leave Russia, and suspended railway communication between the two countries. Thus Russia's response to China's legitimate right of self-defence was the breach of all relations and the suspension of traffic on the Railway which was important for international communications not only between China and Russia but for the rest of the world. The offer to negotiate was entirely ignored.

Not an Attempt to Recover Railway

In any just estimate of China's action, one must regard as inaccurate the statement that China has seized the Chinese Eastern Railway. China has not nullified any of the right that Russia possesses there. She has in the exercise of the rights of self-defence ejected foreigners who on her own soil were planning to do her harm. Some people have the impression that China wants to regain control of the Railway, wherein she is morally right, but that in doing what she has done she is legally wrong. It would be hypocritical to say that China does not want the Railway back, we have minced no words in proclaiming our intention of abolishing all unequal treaties. But we have also repeatedly stated that in so doing we will employ legitimate means. The Chinese Eastern Railway will be ours by reversion, and can be ours by redemption in only a few years' time. The present action of China is not a step in the recovery of her lost rights; it is an act merely of self-protection. It may be that the exercise of this right gives rise to a suspicion that she is availing herself of a good opportunity to recover the Railway, but the likelihood of such a suspicion cannot deter her from action. I have yet to see a man who would not protect himself from harm because his neighbors may say it is to his interest to do so. China has many unequal treaties to abolish and many rights to recover. She has therefore need for the cooperation and confidence of the other nations. It would be a short-sighted policy for her to act in any way other than that justified by international law and public opinion.

I have heard the opinion expressed that the *status quo* should be restored by China before the negotiations commence. This means, I suppose, the reemployment of the expelled Russians on the Railway. Regarding this point, there are two technical questions and a homely parallel. (1) The Chinese Government charges that in the management of the Railway, the Russian manager has violated the 1924 Agreement for the

(Continued on page 51)

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Tribulations of An American Consul in Harbin

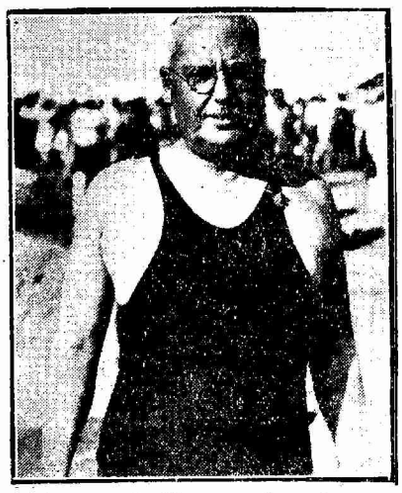
BY J. B. POWELL

George C. Hanson, American Consul at Harbin, probably the only man of his rank in the American Foreign Service who speaks two of the world's most difficult languages, Chinese and Russian, as fluently as his own American-English, has many interesting requests, but none more intriguing than occurred on August 22 when a poor Russian woman came into the consulate and asked Mr. Hanson to find a customer for 42 eggs, each the product of a different kind of bird that inhabits Eastern Siberia, Mongolia and the Altai Mountains of North-Central Asia. The woman explained that her collection of birds' eggs, carefully preserved and packed in cotton, represented practically a life work. They were all contained in what appeared to be a portion of a discarded kerosene oil can, and she had a list, written in Russian with what appeared to be the proper Latin equivalents of the names of the various birds. The woman's name was Anastasia Lukenechna and she gave her address as Konniaia Street, No. 15, Apartment 3, Harbin.

Mr. Hanson, not being an authority on birds or the possible market for birds' eggs, took down her name and promised to notify the U. S. Department of Commerce in the hope of finding a customer. He also attempted to translate into English the Russian names of some of the birds, which were, "Singing Mongolian Seagull," "White Wing Tail-Shaking Lark," the "Hoopoe," (not whoopee) bird, the "Needle-tail Duck," various kinds of white plover and lark, the "Siberian Woolly-legged Wag-tail," the Mongolian Stork, horned-larks, etc.

"Near" Americans

The consular staff at Harbin, which also includes two American vice-consuls, Paul M. Dutko and T. L. Lilliestrom, both of whom speak the Russian language, stated that the consulate at Harbin due to its location on the border of Mongolia and Siberian Russia, has many strange visitors with strange requests, but none stranger than the Russian woman with the strange egg-shells. Since the outbreak of complications between China and Soviet Russia this summer the work of the American consulate at Harbin has been quadrupled due to the complications which have developed for American merchants and other residents of this district which includes a territory about half as large as the United States. When Benjamin Franklin advised youthful Americans on the Atlantic coast to "Go west," he couldn't have had North Manchuria and Mongolia in mind, but despite this, a considerable number of Americans have drifted to this part of the world. There are 98 "real" Americans in Harbin and a considerable number scattered among the frontier towns along the Chinese Eastern Railway on the edge of Mongolia. Then in addition to the "real" Americans, there is also another type of "near" Americans, who are a constant source of trouble to the consul. It seems that "near" Americans are young men who have been sent to the United States by their Russian parents for the purpose of obtaining an education, and, incidentally American citizenship. They turn up in Harbin with their American "papers" or certificates of citizenship and ask to be registered—which is all right and proper—but in many cases it develops that the father, who is a Russian, has turned over all his property to the son in order that a bright new American flag can be flown over the premises. Russians in Manchuria, having lost their exterritorial rights, are subject to Chinese laws and in all too many cases Chinese persecution at the hands of the tax-collector. Since American citizens, who still possess exterritorial rights, are not subject to Chinese laws, the presence of an American flag over a business house, retail store, or perhaps a warehouse filled with valuable cargo such as furs or hides, is worth a considerable amount of money in taxes saved. What to do about these "near" Americans thus constitutes a problem for the American consular staff in Harbin.



George C. Hanson, American Consul at Harbin

Then there is the case of the American who gets into trouble with the Chinese police or military authorities and gets "beaten up". There was the recent case in Harbin where an American bank clerk tried to "lick" the Harbin police force, but the battle went against him. At the police station he produced his American credentials, following the perusal of which the Chinese police seargeant apologized for the roughness of his men on the grounds that the police though the American bank-clerk "was a Russian."

Americans and Their Russians Wives

Still another complication comes from the habit which young Americans have in this part of the world of marrying Russian wives. In Harbin it is said there are four women to each man and since it is not not necessary to dwell on the attractiveness of Russian womanhood, the usual happens. The young American, far away from the home-town girl, takes unto himself a Russian wife. Then the question of nationality crops up to plague the American consul and it keeps on cropping up every time a child is born. Shortly after the beginning of the trouble between China and Soviet Russia this summer, Roy Maxwell Talbot, who holds the position of Commissioner of the Chinese Martime Customs at the little Chinese town of Tahaiho, which is located on the opposite side of the Amur River from Blagovestchensk, Siberia, reported to the American Consulate at Harbin that the Bolsheviks had captured his wife and were holding her prisoner. Talbot hails from Dekalb, Ill., and while his wife was of Russian nationality he wanted the American consul to do something about it. Since America does not recognize Soviet Russia, Consul Hanson was faced with the problem of reporting the case to Washington so that negotiations could be started through some third power such as France, in order that Mrs. Talbot and her twelve year old daughter could be released. It turned out, however, before the wheels of diplomacy had made many revolutions, that Mrs. Talbot and the child were alive and and well but were being detained by the Russian authorities at Blagovestchensk which is located only a few hundred yards across the river boundary from Mr. Talbot's headquarters at the Chinese town of Tahaiho. But owing to the disruptions between China and Russia, Mrs. Talbot and daughter might have been on the other side of the world because no communication is permitted across the international boundary. According to the report on the incident at the American consulate at Harbin, Mrs. Talbot was on a Chinese river steamer on the Amur trying to go to Harbin, but the steamer was captured by the Soviet authorities and all passengers interned. The incident still rested at that point late in August when Mr. Talbot was still trying to induce the Union of Socialist Soviet Republics to release his wife and daughter.

Harbin, August 22.

Harbin: Where a Sale Is Really a Sale

BY J. B. POWELL

It is doubtful whether anyone in Harbin, which is a city of about a half-million Russian and Chinese residents, ever heard of the Associated Advertising Clubs of the World, but despite this fact the city has adopted a municipal regulation that is most advanced from the standpoint of merchandising, In fact it is doubtful whether any other city in the world has a similar regulation which prohibits merchants from holding more than two sales a year. On August 21 the Harbin *Daily News*, a small English language newspaper published by an American, H. Custis Vesey, contained a news item in the "local" column which read as follows:

"The Municipal authorities have given permission to store owners to extend the period of sales from ten days to thirty, i. e., to one month. There can be not more than two sales a year, however, and each time permission must be obtained from the authorities."

According to one of the Chinese officials of the city the municipal regulation limiting merchants to two sales a year was adopted about three years ago and was brought about by an abuse of the custom of local merchant in holding sales almost monthly, or even weekly. Finally the Chinese authorities made an investigation and found in many cases goods were being sold at higher prices during "sales" than on ordinary occasions. They also found that inferior merchandise was being brought into the city for the purpose of selling at "special sales" when it was advertised as first-class goods at a reduced price. As a result the authorities adopted a municipal regulation limiting sales to two a year, early spring and late summer, and even then the merchants have to demonstrate to the officials that there is real justification for a "sale." The merchants appear to be satisfied with the regulation and in some cases state that the new system has had the effect of creating more confidence in the local stores on the part of the public. At least the public now knows that when a merchant advertises a "sale" that he has convinced the authorities that he is over-stocked and a sale is necessary.

Ministry of Railways Inaugurates New Regulations Aiming at Centralization of all Lines

A new chapter of the government's railway administration may be said to have been written with the announcement of the coming into force of the Regulations governing the organization of the State Railway Administrations under the Ministry of Railways. The authorities hope that the innovations in the administration of the Government's Railways will not only increase the efficiency of the various Railway Administrations in due course and gradually centralize the control thereof, but also that the various lines will soon yield sufficient profit to defray their outstanding indebtedness as well as providing for improvements and extensions.

Following is a translation of the new Regulations governing the various State Railway Administrations under the Ministry of Railways:—

Art. 1. All Government Railways shall each be under an Administration in the direct control of the Ministry of Railways; the names of such Administrations and the various Lines under their respective jurisdiction to be separately regulated.

Art. 2. Each Railway Administration shall be in charge of the traffic, repairs, maintenance, operation, accounting and other related affairs of the whole Line; and shall also be responsible for the extension or construction of new branch lines which are to be placed under its control.

Art. 3. The Railway Administrations shall be classified into first, second and third grades according to the length of the Lines and the volume of business; the classification and the number of staff-members to be separately determined.

Art. 4. Each Railway Administration shall have the following departments to take separate charge of the affairs enumerated in Art. 2:—

(a) General Affairs Department.
(b) Engineering Department.
(c) Traffic Department
(d) Locomotives Department.
(e) Accounting Department.
(f) Supplies Purchasing Department.

The above-mentioned various Departments may be amalgamated with one another or placed in concurrent charge of the officers of the Administration concerned according to the varying conditions of the Lines.

Whenever necessary, the Administration may establish, upon approval by the Ministry of Railways, branch offices at the more important points along the Line.

Art. 5. Each Railway Administration shall have the following officers:—

(a) Managing Director.
(b) Assistant Managing Director.
(c) Departmental Directors (Managers) and Assistant Departmental Directors (Assistant Managers).
(d) Chief Engineer and Assistant Chief Engineers.
(e) Chief Inspectors.
(f) Chief Auditors.
(g) Assistants (in the various Departments).
(h) Secretaries.
(i) Sectional Chiefs.
(j) Section Managers.
(k) Assistant Section Managers.
(l) Superintendent of machine shops and works.
(m) Director of Railway Hospitals.
(n) Sub-Section Superintendents and Assistant Sub-Section Superintendents.
(o) Branch Office Managers.
(p) Assistant Branch Office Managers.
(q) Staff members.
(r) Station masters and Assistant Station Masters.
(s) Chief Conductors of Trains.
(t) Engineers.
(u) Technical staff members.

The above-mentioned officers of a Railway Administration may be appointed according to the need of the Line concerned.

For all First-Class Railway Administrations, the Ministry of Railways shall appoint an Assistant Managing Director, a number of Assistant Departmental Directors and Assistant Sectional Chiefs according to the volume of business transacted by the Administration concerned.

For all Second-Class Administrations the Ministry of Railways shall appoint an Assistant Managing Director and a number of Assistant Departmental Directors.

No officials other than those mentioned in the first paragraph of this Article shall be appointed unless with previous special approval from the Ministry of Railways.

Art. 6. The Managing Director of a Railway Administration shall be appointed by the Minister of Railways to manage and administer under the latter's direction all affairs of the entire Line and direct and supervise all subordinate officials.

Art. 7. The Assistant Managing Directors shall be appointed by the Minister of Railways to assist the Managing Directors in administering the affairs of the Line.

Art. 8. The Departmental Directors, Assistant Departmental Directors, Chief Engineer, Assistant Chief Engineers, Chief Inspectors, Chief Auditors, Assistants, Sectional Chiefs, Superintendents of Locomotive Plants, Superintendents of Supplies Stores and the Section Managers of a Railway Administration shall all be appointed by the Minister of Railways to take, under the direction of their respective superior officers, separate charge of the affairs falling under their respective jurisdiction.

Art. 9. The Secretaries of a Railway Administration shall be appointed by the Minister of Railways upon recommendation by the Managing Director concerned to take charge of confidential matters under the direction of their superior officers.

Art. 10. The Sub-Section Engineers, Assistant Sub-Section Engineers, Engineers, Directors of Hospitals, Superintendents of Machine Shops and Works, Managers of Branch Offices, Assistant Sectional Chiefs, Sectional staff members, Technical staff members, Station Masters and the Chief Conductors of Trains of a Railway Administration shall be all appointed by the Managing Director thereof upon approval and confirmation by the Ministry of Railways to take separate charge of the affairs falling under their respective jurisdiction.

Art. 11. A Railway Administration may employ a number of employes and clerks.

Art. 12. The Regulations Governing the Organization of a particular Railway Administration, the Rules Governing the Administrative Jurisdiction and Powers of the Railway Officials, the Regulations Determining the Official grades and Salary Schedule of all Railway Officers and the Regulations Governing Employment of other Railway Employees and clerks shall all be separately determined.

Art. 13. Unless otherwise specified in other laws, regulations, orders, contracts or agreements, the management of all Government Railways shall conform to the present regulations.

Art. 14. These General Regulations shall become effective on the day of promulgation.—(*Kuo Min to the Review*)

RUSSIA, CHINA, AND THE CHINESE EASTERN RAILWAY

(*Continued from page 49*)

provisional management of the Railway in various particulars; should that *status quo* be restored which was envisaged by the Agreement? (2) The Russians violated the Agreement of 1924 in their communist propaganda; can the Russians restore matters to the *status quo*? Aside from these technical points for legal experts, it may not be inappropriate to draw a parallel in domestic affairs. If there is a quarrel between a railway company and its employees and there is a strike, a usual preliminary to the settlement of the strike is the restoration of the *status quo* by reinstating the strikers pending negotiations. But that is not an appropriate parallel to the present case. Imagine rather the dismissal by the mistress of the household of her cook after she had discovered that the cook was trying to poison her. It may be very well for the neighbors to suggest that pending the settlement of the dispute, the mistress should take the cook back, but can the neighbors guarantee that the dispute will not be most effectively settled by the cook by administering at the first dinner that she prepares on her return an adequate dose of arsenic?

China has suffered too much in the past from acts of imperialism and force for her to employ them herself. Hence even before the Kellogg Pact was formally in effect, the Chinese Government gave assurances that she would observe its principles and its spirit. While not renouncing her right of self-defence which indeed is recognized by the Kellogg Pact, China, the world may rest assured, will employ none but pacific means to settle this and any other international controversy. During the last several weeks the Chinese Government though subject to provocation has exercised much restraint and shown great moderation. I am personally in high hopes that very soon statesmanship will have set at rest all fears that peace in the Orient will be disturbed.

Washington, August 1, 1929

50-063

Brief History of Sino-Russian Relations in Manchuria

Contributed

At this time when Manchuria has been brought into the public eye through the Chinese Eastern Railway controversy, it is interesting to delve into early Sino-Russian relations, and to review the origin of the railway that is responsible for the present crisis.

The pioneers of Russian intercourse wth China were the fur traders, explorers and brigands who crossed the Ural Mountains in the late 16th and early 17th centuries, and penetrated the regions to the east. Trading posts sprang up at Tobolsk, Tomsk, Yakutsk, Nerchinsk and Okhotsk. The activities of the invaders eventually antagonized the Chinese who organized an expedition to clear the region of the Amur River of Russians. This was accomplished by 1658. Later Albasin, a settlement on the upper Amur was established and occupied by the Russians, but was captured and destroyed in 1685 by the Chinese.

In 1689 Russian and Chinese emissaries met at Nerchinsk where China signed her first treaty with a foreign power. This treaty, incidentally, was a diplomatic victory for China, for it provided for the establishment of the boundary between the two countries along the ridge of the Stanovoi Mountains, north of the Amur. The following one hundred and fifty years were devoid of incidents of any importance to Sino-Russian relations.

Tsar Nicholas I was responsible for the measures taken to stimulate Russia's interest in the Far East when, in 1846, he ordered an investigation of the entire Amur question, and sent Nicholas Muravieff to be Governor of Eastern Siberia. Muravieff, a man of great capacity and vision, pursued a policy of peaceful penetration of the country north of the Amur. He eventually was successful in establishing a military base at the mouth of the Amur, pleading the necessity of protecting Russian interests against the British during the Crimean War as justification for this move. In 1858 a treaty was signed with China at what is known as the Convention of Aigun, by which the boundary between Russia and China was moved South to the Amur River, with the territory lying between the Ussuri River and the Pacific to be jointly administered by both countries. This latter strip of territory was gained by Russia in 1860 as a reward for her intercession on behalf of China with Great Britain and France, who marched on Peking in that year.

Entrance of Japan

The next chapter in the history of Manchuria brings us to the entrance of Japan into this controversial field. It will be remembered that at this time (about 1870) Japan was making rapid strides towards the modernization of her political, military and industrial institutions. She was also looking for opportunities to expand, and cast longing eyes towards the mainland of Asia. In 1876 she concluded a treaty with Korea, the first article of which addressed Korea as an independent state. It happens, however, that for years Korea had been a tributary state of China, though her alliegance to China was only nominal. The result was a clash of wills in Korea which eventually resulted in the Chinese-Japanese war of 1894. Politically speaking, this war was of great importance to the world for out of it there grew a number of international problems, not the least of which was that of the Chinese Eastern Railway.

At the Treaty of Shimonoseki, which terminated the Sino-Japanese War, Japan demanded, among other things, the cession to her of the Liaotung Peninsula (southern Manchuria). Russia, who was already beginning to look upon Manchuria as within her sphere of influence, saw in this move a definite threat against her own interests. She met this menace by effectively organizing a group of the Powers (France, Germany and Russia) who, through the famous Retrocession Note, compelled Japan to return the Liaotung Peninsula to China, and to accept an additional indemnity of 30,000,000 taels in its stead. By this move Russia not only protected herself from Japan, but, which was of even greater importance, she placed China under obligations to her. She was not slow to follow up his advantage.

Russia, as a further manifestation of her friendship for China, aided her to pay her indemnity to Japan by raising a four hundred million franc loan through a France-Russian syndicate. She also organized the Russo-Chinese Bank, the avowed object of this institution being "to develop commercial relations with East-Asiatic countries". It may be added here that this bank, which was destined to play an important part in the history of Manchuria, had a checkered career. It suffered a set-back as a result of the Russo-Japanese War, from which it did not recever till 1910, when it was amalgamated with the Banque du Nord, renamed the Russo-Asiatic Bank, and incorporated under French laws. After the Russian revolution of 1917 it was ousted from the role of capitalist to the Chinese Eastern Railway, and, in 1926, went into voluntary liquidation.

Agreement of 1896

By 1896 the Trans-Siberian Railway had been completed to Chita. In order to connect with Vladivostok, on the Pacific, it had either to circumvent the Amur, a circuitous route, or cut straight across northern Manchuria. In 1896 Li Hung-chang, China's outstanding statesman, went to St. Petersburg to attend the coronation of Tsar Nicholas II. While he was there Count Witte, Russia's ingenious Minister of Finance, after impressing him with China's obligations to Russia, prevailed upon him to sign an agreement whereby:

(a) China granted Russia permission to build a railroad through Northern Manchuria from Chita to Vladivostok; this road to be in the hands of a private corporation.

(b) China was to cede to Russia a strip of land sufficient for the construction and operation of the railway, and in which the private corporation was to exercise full authority.

(c) The two countries concerned were to come to the defence of each other should Japan threaten the territory of China or the Far Eastern Maritime possessions of Russia. This agreement was later ratified by the two governments.

On the 16th of December, 1896 the railway contract between the Russo-Chinese Bank (representing Russia), and China, for the construction and operation of the Chinese Eastern Railway across Manchuria, was promulgated. The contract provided among other things, that:

(a) The Chinese Eastern Railway Company possessed absolute and exclusive right of administration of its lands.

(b) Only Russian and Chinese subjects might become shareholders in the company.

(c) The Chinese Government was to assume responsibility for the protection of the road and criminal cases were to be settled by the local authorities and not through extraterritorial jurisdiction.

(d) The Company was empowered, subject to the sanction of the Chinese authorities, to exploit coal and commercial enterprises.

(e) In the event of a difference of opinion arising between the Chinese Eastern Railway and the connecting Russian Railway, the decision of the Russian Minister of Finance was to be taken as final. Furthermore, should the Company require additional funds for necessary developments, the management was to apply to the Russian Minister of Finance for pecuniary assistance.

(f) China possessed the right at the expiration of 36 years to redeem the railway (but under such burdensome terms that it was highly improbable that she would be able to do so), and at the end of 80 years the railway and all its property was to pass without payment to the Chinese Government.

In 1898 Russia concluded several agreements with China, the most important of which were the lease to Russia of the Liaotung Peninsula (the possession of which had been denied to Japan), and the extension of railway concessions under the 1896 agreement to include the development of branch lines by the Chinese Eastern Railway to Dairen and In-tzu, the second of which was never constructed.

By the Treaty of Portsmouth, (which concluded the Russo-Japanese War of 1904-05, Russia ceded to Japan her lease upon the Liaotung Peninsula, and also assigned to the latter the southern portion of the Chinese Eastern Railway (from Changchun to Port Arthur), which was shortly renamed the South Manchurian Railway. Both powers agreed to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes, and the number of railway guards maintained by each country was not to exceed fifteen per kilometre.

Russo-Japanese Rapprochement

The period from the Treaty of Portsmouth to the beginning of the World War was marked by a rapprochement between Russia and Japan as exemplified by the agreements of 1907 and 1910, which preserved the status quo of both nations with regard to the Chinese Eastern Railway. This rapprochement was probably brought about by various American proposals to intervene in the Manchurian railway problem, culminating in the Knox neutralization scheme of 1910.

Following the assumption of power by the Soviets in Russia in 1917, a state of chaos existed along the Trans-Siberian Railway, and the disturbances spread rapidly to northern Manchuria. Kolchak, Semenoff, Horvath and Baron Ungern-Sternberg each played a role of keeping the Chinese Eastern Railway in a state of confusion. The Chinese officials finally (December, 1917) seized part of the C. E. R. and sent 3,500 troops to Harbin to protest the defacto railway manage-

50-064

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50-065

ment. Japan, none too sanguine as to the ability of Chinese soldiery to cope with the situation, entered into a military alliance with China, and undertook more than her share in the policing of the railroads of northern Manchuria, eventually assuming the entire responsibility for the garrisoning of the Chinese Eastern Railway.

Finally, in January, 1919, an Inter-Allied Commission, headed by Colonel Stevens, U. S. Army, undertook the management of the C. E. R., the Allied and Associated Powers guaranteeing the shareholders interests. This temporary measure continued in force until the Washington Conference. The latter appointed a sub-committee to enquire into the matter of the C. E. R., and after much discussion, two resolutions were passed:

"(1) That the preservation of the C. E. R. for those interested required that better protection be given to the Railway and the persons engaged its operation and use; a more careful selection of personnel to secure efficiency of service, and a more economical use of funds to prevent waste of property.

"(2) The powers other than China, in agreeing to the Resolution regarding the C. E. R., reserve the right to insist upon the responsibility of China for the performance or non-perfomance of the obligations toward the foreign stockholders bondholders and creditors of the Chinese Eastern Railway Company which the Powers deem to result from the contracts under which the Railway was built and the action of China thereunder and the obligations which they deem to be in the nature of a trust resulting from the exercise of power by the Chinese Government over the possession and administration of the Railroad." Apart from these resolutions little was accomplished at the Washington Conference so far as the C. E. R. was concerned. The Inter-Allied Commission under Colonel Stevens, in order to escape Russian hostility, Chinese suspicion and Japanese military intervention, turned the railroad over to a temporary operating board appointed by the Chinese Ministry of Communications. This board continued to function until after the resumption of diplomatic relations between China and the U. S. S. R., when through Trans-Siberian communication was re-established after a lapse of several years.

The 1924 Agreements

On 31 May, 1924, the Sino-Soviet Treaty, which revised all previous agreements regarding the Chinese Eastern Railway, was signed at Peking. It made the following provisions: There was to be joint management; the Soviet Government became the capitalist of the road in place of the Russo-Asiatic Bank, until China could liquidate her half-interest; the U. S. S. R. assumed responsibility for the shareholders claims, as they existed upon the outbreak of the Russian Revolution in 1917; China might redeem the road, with Chinese capital only, at some future time; and the concession period, originally fixed at 80 years, was reduced to 60 years. In addition, both contracting parties mutually agreed:

(a) that, until revision, the contract of 1896 for the construction and operation of the Railway was to remain in force in so far as its provisions did not conflict with the new agreement;

(b) that the future of the Railway was to be determined by the Contracting Parties themselves, exclusively;

(c) the principal of equal representation between Chinese and Russians was to be observed in the employment of persons in the various departments of the railway; and

(b) the two contracting parties mutually pledged themselves not to permit, within their respective territories, the existance or activities of any organization or groups whose aim is to struggle by acts of violence against the Governments of either Contracting Party. The two Contracting Parties further pledged themselves not to engage in propaganda directed against the political and social systems of either Contracting Party.

This treaty was not recognized by Marshal Chang Tso-lin, who was then High Inspecting Commissioner of Independent Manchuria, and the provisions relating to the Three Eastern Provinces could not, therefore, be fulfilled by the Central Government. However, on 20 September, 1924, a separate agreement, more or less identical with that signed at Peking, was signed between representatives of the U.S.S.R. and the autonomous Mukden Government.

During the past five years various disputes over the C.E.R. have arisen between the Mukden Government and the U. S. S. R. In 1926 the Chinese authorities, claiming that the land question should be divorced from the dominion of Railway administration, closed the title offices. In retaliation for this move, and as a protest against the use of the railroad by

(Continued on page 65)

Soviet Russia, "Bully in Manchuria" Threatens Peace of the World, Says Hearst

(An editorial from the New York American, July 26, 1929)

On the face of the facts that have thus far come out of the Far East concerning the dispute over the Chinese Eastern Railway, which taps the rich province of Manchuria, the Soviet Government of Russia appears to be acting the part of a big bully in its dealings with the Nationalist Government in China.

And the worst of it is that the big bully in this case seems bent upon disturbing the peace of the world by threatening the peace of the Pacific.

China's side of the Manchurian dispute has been laid before the world in a manifesto from the Nanking Government that rings with charges which Russia has yet to refute.

China charges that Russia broke the agreement of 1924 by the terms of which Russia relinquished political control of the Chinese Eastern Railway, engaged to operate that railroad as a purely commercial enterprise, and exchanged with China a solemn pledge that the two countries would not—

"Engage in propaganda against the political and social systems of either."

In proof of this charge, China recites the discovery in Harbin of abundant proof of secret plotting by Russian agents to destroy the unification of China and to organize a corps of assasins to operate in Nanking, Manchuria and other important centers. China declares that this was the grave provocation that prompted the Manchurian authorities in their own defense to arrest the Communists guilty of the conspiracy and return them to Russia.

Thereupon Russia sent an ultimatum to China that demanded compliance with every condition within three days.

Within the time limit China replied with a conciliatory note inviting a peaceful negotiation of the dispute.

Russia's rejoinder to this reply was to break off all diplomatic and consular relations with China and order all Chinese officials out of Russia.

History appears to have been repeating itself in China's recent experience with the Soviet Government of Russia. What China charges Russia's Communist agents with doing in Manchuria, the United States, Great Britain, France, Germany and Japan well know other Communist agents of Russia have attempted to do in their respective countries.

France was forced to demand the recall of the Soviet Ambassador from Paris.

Great Britain was compelled to break off relations with the Soviet Government because of the discovery in London of the same sort of proof of the same sort of Soviet plottings that China unearthed in Harbin.

And Germany, Japan, and the United States have more than once been compelled to deport conspirators against their own peace and safety acting in the name, and apparently on behalf, of the organized tyranny that holds all Russia in its grip today.

In the light of the proof that is piling up not only in the Far East, but in other corners of the world, that the Soviet Government of Russia is waging unceasing warfare against democracy everywhere, it begins to look as if the democracy of the world will finally be forced to take up this challenge and combat the tyranny of Russia,

For the Soviet Government today is NO LESS TYRANNICAL in its treatment of the Russian people than was the Czar's Government.

And the tyranny in Russia today is no less a tyranny because it calls itself popular government.

Under the Communist Government of Russia freedom of speech, freedom of the press, freedom of worship, freedom of thought, freedom of conscience, freedom to work or not to work have one and all been taken away from the Russian people.

The truth is that the Communists of Russia, LIKE THE PROHIBITIONISTS OF AMERICA, are enamored of a name, indifferent to facts, and utterly contemptuous of actual conditions.

There is less popular liberty in Russia at this moment than in any other country on the face of the globe. And if the Soviet Government is permitted by the rest of the world to continue its plottings against the peace of the world, the tyranny of Russia will follow the Soviet flag.

There is no graver menace to democracy today than the yoke of tyranny which the Soviet Government has pressed down upon the people of Russia.

And democracy in its own defense cannot afford much longer to be blind or deaf or dumb in the face of the threats to the peace of the Pacific that are now coming out of Moscow.

Sun-Maid Raisins

Nature's Sweetmeat

50-067

The Inauguration of the Control and Examination Yuans

BY HAN LIH-WU

IN accordance with a resolution passed by the Third National Congress of the Kuomintang this spring, the coming of September will probably witness the formal inauguration of the yet unfunctioning two of the five Yuans which together constitute the National Government of the Chinese Republic. I refer to the Control and Examination Yuans. On the merits or demerits of the Five Power System as expounded in the second part of Dr. Sun's mounumental *San Min Chu I*, no pure and simple discussion based on traditional political theories will be of much value. The folly of the separation of powers, originated from Montesquieu's mistaken view of the relation of the legislature and executive in England, consecrated as it was by Blackstone, had been known before Dr. Sun began his theorizing. Nor could we well imagine an extensively travelled and widely read statesman like him being ignorant of the political truism that the complication and multiplication of the machinery of government does not make for efficiency or economy. And yet the substitution of the traditional three powers by five separate and independent organs of government is what he advocated and in which he justly claimed originality.

Evidently, then, his system of government must be considered in another light. Here we can most profit by the wisdom of Professor Harold Laski who says, "All political systems are the natural reflection of their historic environment." This, however, must not be taken to mean that credit is not chiefly due to the originator of these systems or that they are thrust upon their advocates by different historic environments. Such would be flagrantly unjust in most cases, though in some cases it would be less so. Anyhow, this cannot be said of Dr. Sun. The modern period in which we all live is one in which the time and tide is against ideas and institutions of the old culture. The prevalent thought is rather that nothing of the past—our own past, I mean—is worthy of retaining, let alone, reviving, and that everything, or nearly everything, of the Occidental present is worthy of copying. Let it be known, the writer does not think that this is very wrong. There are indeed many more things that we need learn from the West than they from us, and many more than we need to retain or revive of our own. But, if made to include all circumstances, it is an exaggerated thought. There are some old institutions, few though they may be, that might prove of great value if revived, as, for instance, the System of Control, and there are others that will most probably do good if retained, as the System of Examination. Of course, this is no place to discuss the difficult and thorny question of what should and should not be retained or revived. What the writer aims at is mainly to stress Dr. Sun's independence of judgment and ingenuity of thought.

The Control and Examination Systems

A word or two about each of the systems mentioned above may not be out of place. The System of Control actually began in the latter part of the Han dynasty, some two thousand years ago. It was a system whereby the Emperor appointed a number of noted scholars and statesmen to act individually as political censors of the government, which meant its employees and its acts. While in executive power, these censors counted nothing, yet in their own narrow and specified sphere, they were all-powerful: history is indeed full of examples in which illustrious censors have caused the death, political or even physical, of premiers and ministers still at their zenith. There are instances, of course in which these honored offices were greatly abused, and they are not exactly exceptions to the rule. But certainly nobody would dare say that the system cannot be improved and that past experiences justify no further and more adapted experiment. As to the System of Examination which is even older than the System of Control, it seems that it needs little explanation. It is a system whereby candidates for government offices were selected and ranked. I think it may justly be said that the Western civil service examination system finds its genesis, in part at least, in our timeworn system. The great Macaulay paid tribute to our pioneer work in this field in the British House of Commons some eighty years ago. The American Congressional reports bear witness to the fact that the originators of the Civil Service Commission's Act had the Chinese experience in their mind. And it is of historic interest to note that though the suspension of the examination system was insisted upon by the Powers after the Boxer Incident, not a few of the foreigners then resident in China regretted that total suspension should be effected instead of a modification of the system on the line of Western civil service examinations, which is the idea behind the present Examination Yuan.

But the most interesting point about the whole thing is that these old systems are not only revived or retained, but are made into separate and independent organs of government on an equal footing with the Executive, the Legislature, and the Judiciary. That is to say, by themselves, their smooth working internally does not constitute so important a problem, —since they all have past experiences to fall upon,—as probably their smooth working between and among themselves and the other organs of government. With the modern government as complicated as it is, and with all the many and varied functions that they have to perform, we add still further complications and hence still more business. The one saving feature about it is, however, that, in the initial stages of the experiment, it is to be under the guidence and rule of the sole party in the country. During this period of political "tutelage", we hope that a sort of tradition will be established which will insure against future stormy days. But, in any case, the experiment is worth trying. As Spinoza said long ago, things of excellence are always as difficult as they are rare. May all contribute a share so that the experiment will be a success.

Peiping Notes

BY HIN WONG

THAT graduates of colleges and universities in China are no longer seeking political offices as their goal but that many have continued research work in science is a welcome note heard in a meeting of the Science Society of China, which held its 14th annual conference at Yenching University, Haitien, near Peking, August 21 to 25. More than 80 well-known Chinese scientists now holding important posts in leading cities of China attended, and most of these delegates during the conference were housed and entertained at Yenching, a Christian institution registered according to Chinese law with Mr. Wu Nai Chuang, a rich Chinese scholar, as chancellor, and Dr. J. Leighton Stuart, an American missionary statesman and executive, as president of the University.

The objects of the Chinese Science Society, organized by a few Chinese students in America some 16 years ago and now having more than 600 members throughout China, are to bring about reforms and improvement of social conditions in China, to carry on research work in the various branches of science in China, and to cultivate social goodwill and friendship.

The proceedings of the conference were ably presided over by Dr. C C. Chu, president of the Society, according to whose observation China had made great developments not only on the field of research but in the extension of laboratories, publications, and libraries. Among the subjects discussed by the scientists during the conference included the Intensity Distribution between the Compton Lines; a Preliminary Report on Physiological Regeneration in Oats; Emulsion and Surface Tension; Analysis of Some Commercial Samples of Coal Collected in North China; Notes on Flux and Potentials; and Sex Determination in Some Common Eastern China Frogs and Toads. During the five days in Peiping, the members of the Society were guests at tiffin or dinner of the leading learned societies and institutions, including the Tsing Hua College, the China Foundation, and the Rockefeller Foundation, besides the faculty and student bodies of Yenching.

Boy Scouts Complete 5,000 li Hike

Seven Chinese boy scouts, headed by Yang Yung Lu, a Cantonese, arrived on foot at Peking August 21, making their sojourn in Peking the residence of Mr. Cheng Hung Nien, president of Chinan University, Shanghai, where they started their 5000 li hike several weeks ago to North China. They will soon proceed to Mukden on foot, expecting to return to school this fall but doing so by boat on their home journey. They reported some hardships and experiences which every good scout would consider lightly, and expressed appreciation for kindness shown them by people they met on the way.

The Phi Beta Kappa Association of China had its annual meeting at Peitaiho, August 17, when nearly 15 members were present, with Dr. John C. Ferguson, president, in the chair. The association, founded in Peking three years ago, is recognized by the national headquarters of this learned fraternity in New York. Officers elected for the ensuing year are as follows:— president, Dr. John C. Ferguson; vice-president, Dr. W. W. Yen; secretary-treasuner, Mr. L. Newton Hayes. The officers and Mrs. Orin DeMotte Walker and Mr. C. C. Steinbeck form the executive committee. The next annual meeting will be held early August, 1930, in Peitaiho.

Mr. P.C. Kuo, an authority on porcelain, has been engaged by the Palace Museum at Peiping to classify the valuable collections now possessed by the institution. It is hoped that a book will be published on this subject eventually.

Mr. K. Yoshizawa, Japanese minister at Peiping, departed for Japan August 20. after several years of service in China. It is reported here that he will probably be appointed to a post in Europe, possibly Paris.

Peiping, August 23, 1929.

50-068

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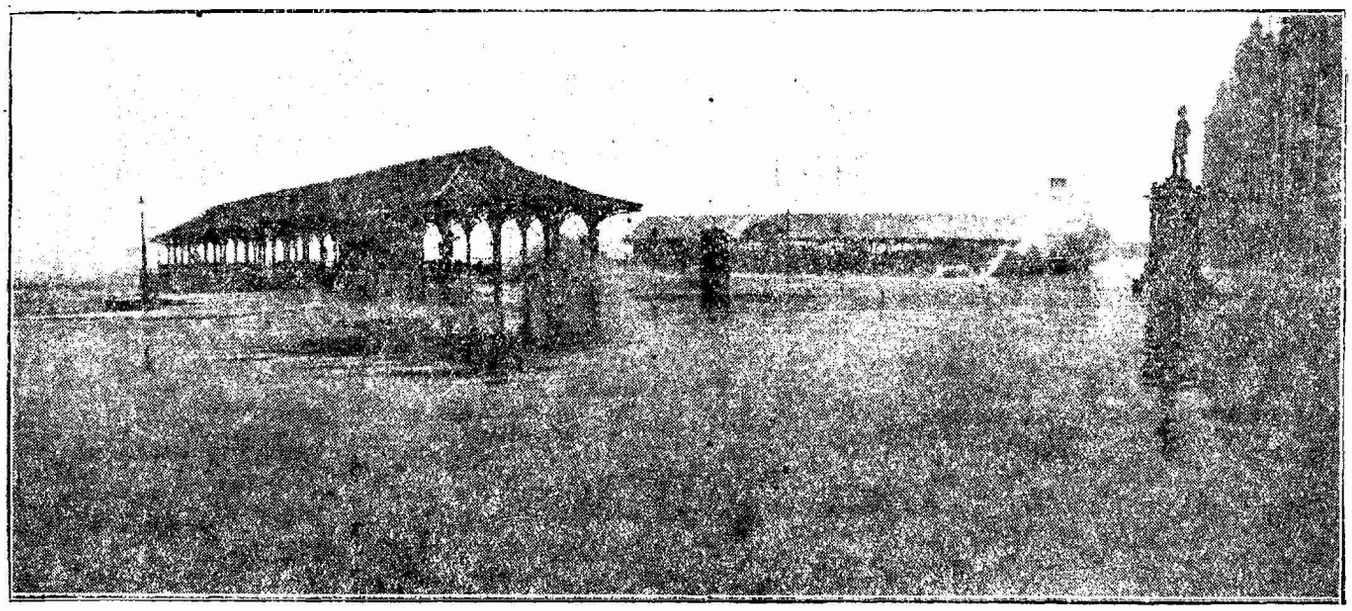
Devastating Effects of the Typhoon in South China

BY S. Y. LEUNG



A deserted Bund. Pedestrians, rickshas, motor cars—even the dependable wheelbarrows—disappeared from Hongkong's most populus thoroughfare when the recent South China typhoon reached its climax on the afternoon of August 22.

THE warning bomb was fired in Hongkong on the morning of August 22 indicating that a typhoon was imminent. By about noon the force of gale increased with terrific rapidity and appeared to be at its height near 1 o'clock in the afternoon sweeping the British Colony from end to end. Hurricane force was experienced from 1 o'clock and lasted for two hours causing great damage to both Hongkong and Kowloon, the mainland opposite the British Colony. The total damage is estimated at $300,000, and so far about ten casualties have been reported of people injured during the terriffc blow. Apart from devastations in Hongkong, the latest reports to hand from other cities indicate that the typhoon continued her course and caused huge destruction at Shiuhing, Taking, (both flourishing cities on the West River) and Kongmoon, while Canton and Macao had miraculous escapes, though some minor damages were done to both cities.

Residents along the Bund in Hongkong had a frightful time when the sea commenced to break over the Bund and showers of spray, caught by the gusts of wind, struck with great force into faces of the helpless pedestrians. Every minute saw the sea rising higher and higher, broken baskets, pieces of rattan matting, sign boards made of wood, and all the usual form of flotsam and jetsam peculiar to Hongkong's harbour being strewn about the roadway. Huge sign boards swung ominously to and fro and town flags and halyards fluttered from swaying flagstaffs. Practically all the wharves suffered to some extent.

Chaos at the Wharves

The Hongkong-Canton Steamship Company's Wharf had its roof and over structures torn away by a terrific gust of wind and left hanging precariously over the water. Other wharves belonging to the Kongmoon, Wuchow, Swatow, and Macao vessels were likewise devastated. Great pieces of corrugated iron, torn from the roofs of sheds near the stone jetties and wharves, were sent crashing to the ground, while smaller pieces were whirled about and sent smashing against the first obstruction in their path. The gusts grew stronger until it was impossible to face them and breathe. Even the long, 6-inch heavy galvanized iron piping, used to supply the tanks erected along the Praya during the water shortage, were torn from their fixing and thrown across the road as though they were mere straws. Many vivid flashes of lightning occurred during the height of the gale and many electric light wires were crossed, vivid flashes running to and fro, giving a Dante-like touch to the scene. In places along the Bund one had to wade almost knee-deep through swirling sea-water. In the middle and upper level and near to the Peak many of the gas lamps were out of commission, electric and telephone wires suffering considerably. Many parts of the City were thrown into complete darkness on the evening of August 22.

Communications Interrupted

All communications were interrupted during the two hours when typhoon was sweeping through the city. The afternoon express from Kowloon to Canton, the morning steamers for Kongmoon, Wuchow, Swatow and even some of the Blue Funnel boats had to change their schedules. For three hours the tram service was stopped, and later in the typhoon all the ferry services connecting Hongkong with Kowloon, Shumshuipo, Aberdeen, Mongkok, Yaumati and many other suburban districts, and on the Mainland of Kowloon and New Territories, were interrupted. In a public statement Mr. C. W. Jeffries of the Observatory described the typhoon as "very severe," and said that the wind rose to 120 miles an hour. The centre of the typhoon passed south of Hongkong and it is generally believed that this typhoon is little short of the one in 1923.

Damage to Buildings

As far as can be ascertained quite a large number of matsheds and residences in this Island and in Kowloon were devastated and many of them collapsed. Two houses on the Kremer Street at Mongkoktsui collapsed, the inmates having evacuated just in the nick of time. A Chinese shop at Aberdeen collapsed, burying two men, who had to to be taken to the Government Civil Hospital for medical treatment. A huge concrete wall of the Chinese Permanent Cemetery was carried away by the wind. The Government House also came in for a share of the general havoc caused by the typhoon. The matshed covering, erected over the roof of the new ball-room, was bodily lifted from its supports and wafted away. In the western district, according to latest reports, a number of houses are in a state of collapse. The wind also succeeded in bringing down the ricksha shelter at the entrance of the Yaumati ferry, and further along, in Mongkoktsui, caused the complete destruction of thirty matsheds used as vegetables stalls on the Waterloo Street, where one Chinese house also collapsed. Six matsheds came down in the Kowloon City, and the roof of the Po Hing Chinese Theatre was torn away causing damage to the extent of the extent of over $10,000. This big theatre was completed only a few months ago. At Ngaushiwan three matsheds owned by sanitary contractors collapsed like a pack of cards. All the swimming pavilions along the Querry Bay, belonging to the Chinese Athletic Association, the Chinese Bathing Club, The Wing On Company, The Chinese Civil Service, etc., were completely wrecked, with the exception of the one owned by the South China Athletic Association, which was built of cement concrete with huge cement columns. All the military swimming matsheds in Stone-Cutters Island were wiped out like a deck of cards. A big wall attached to the Mei Wah Knitting Factory at Shamshuio district collapsed, while a tea-shed in Prince Edward Road had its roof carried away. The fleet of twenty fishing

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junks in Aberdeen has been missing since the typhoon and it is believed that they must have met with a tragic end. The number of lives involved among the fishermen in this case is considerable.

Ships Swamped

Junks and steam launches were badly damaged and so far it is ascertained that four launches belonging to the Canadian Pacific Railway Company, the Bank Line, the Butterfield and Swire Co., respectively, and one owned by a Chinese company, capsized in the Hongkong Harbour during the typhoon. A few of the Chinese on board are missing. A big junk with a cargo of bricks sank at Chink Wan waters being swamped by big waves. Six Chinese women and girls were drowned, and half a dozen occupants on board had a miraculous escape. The S. S. Tin Tin a Macao and Canton steamer was drifted on to the rocks at Laichikok and was badly damaged.

Macao, the Portuguese Colony, had a narrow escape from the typhoon, though a squall was in that port on the afternoon of August 22nd at the comparatively slow speed of 70 miles an hour causing very slight damages.

Chinese Gunboats Capsized

Canton, the Capital of Kwangtung, was visited by a squall, but escaped unscathed. Apart from slight damages done to the junks in the Canton River and the collapse of a few matsheds, Canton was generally unperturbed. Much havoc, however, was done on the West River, when the typhoon swept through the Shun Tak district and caused, the sinking of two Chinese gunboats, the *Kong Koo* and *Feipang*. The former was one of the four big Canton gunboats and was similar in type to the gunboats, *Kong Tai*, *Kong Hon* and *Kong Kung*. It is officially reported that about twenty of the gunboats' crew were drowned.

A big fire, coupled with the typhoon at Kongmoon, destroyed over twenty houses. By far the biggest havoc was wrought at Shiuhing, and Taking, (two flourishing towns on West River) and in the former city over eighty Chinese residences were wiped out not by the wind, but by a big fire which broke out during the typhoon. When steamers on the Hongkong-Wuchow run passed along the Shiuhing river in the evening of August 22nd, Shiuhing was ablaze and it is understood that the fire was not under control until after the typhoon. Details of the casualties are not known at the time of writing. What is considered to be most fortunate is that the famous Shiuhing Pagoda, built several hundred years ago during the Ming Dynasty, had a narrow escape from being destroyed by the fire, which swept through the vicinity of the Pagoda. Houses some fifty yards from the Pagoda were burned to the ground. Many fishing junks and one tow boat plying between Kowkong and Shiuhing capsized. Ta-king was also devastated, but no details are available from that port at the moment.

Hongkong, August 26

50-071

China Wants More Open-Minded Foreign Friends

BY S. Y. W. MENG

Congressman L. C. Dyer of Missouri, who came to Shanghai sometime ago, declared in an interview in Manila that there would be no chance for the abolition of extraterritorial rights of American citizens in China before 1932 at the earliest. China must meanwhile, he said, devote itself to a demonstration that it is possessed of a capable judiciary free from prejudices.

Mr. Hope, formerly the Editor-in-Chief of the *China Press*, has said that British interests in China can best be served by letting the Shanghai Defence Force remain here, and he further declared that at present the Defence Force is "the only thing that stands between order and anarchy".

General Frank Sutton, former Chief Advisor to Marshal Chang Tso-ling, the Manchurian warlord, in an interview in London, said that it is up to the Powers to put an end to the present trouble between China and Russia. He said, "But the potentialities for international complications are grave and far-reaching. It is up to the Powers to see that peace is restored. It can be done without military adventures or expenditure of money, merely by placing the Chinese Eastern Railway, the local point of all the trouble, once more under the control of an international board working in conjunction with the Chinese Government. That was done in 1918-1920, and it should be done again. 'International control' is the only way to restore peace and promote trade—the trade that to Britain alone is worth millions. China would welcome such a move. It would re-establish diminished prestige and set at rest a peculiarly sensitive source of trouble".

Then the former advisor concluded his interview by expressing the opinion that China is no match for Russia, meaning by this that it would be advisable for China to accept his suggestion—that is, the international control of the Chinese Eastern Railway.

Advocacy of Armed Intervention

Which is to say, despite the alleged great change of the policy of the foreign governments towards the Chinese National Government, obviously due to the great improvements of China in recent time, there are quite a number of foreign nationals who still advocate the preservation of the present unequal treaties, extra-territorial jurisdiction, etc; who still strongly plead for the sending of foreign troops to China, or the non-withdrawal of the foreign troops at present stationed on Chinese soil; who still strongly support the theory of armed-intervention or international control of China. The dispute over the Chinese Eastern Railway is only a dispute between China and Russia. Why is there still a man like General Sutton who is foolish enough to suggest the joint action of the Powers to settle the dispute and the international control of the Railway? Is it not because he thinks too much of the interests of his fellow countrymen, and neglects entirely the fact that his suggestion would be in direct contradiction to the Chinese theory of sovereignty?

People who advocate armed-intervention or international control of China are usually of the extremely conservative and obstinate type which always sees things from "what they were" rather than from "what they are now"; who always view things from "the darkest side of the picture", rather than "the improved side of the picture." These people usually have been in China for sometime. But during their stay here either there was not enough time for them to study the Chinese situation in its true perspective, or they made no study at all. But when they return to their countries, they regard themselves as men who have a good deal of knowledge about China, and at once begin to express their opinions on the Chinese situation. But their remarks, as a rule, are nothing but condemnation of the Chinese. This mistake was even committed by the Editor of the *Washington Star*, also a member of the American Journalist Party visiting China recently, when he made some startling remarks on the Chinese situation. That the Chinese have protested against his remarks, is not because the editor spoke "unpleasant words" about China, but rather because he "sees things obliquely," and does not have a true perspective on the situation.

The Die-Hards

Interventionists or imperialists, as the Chinese used to call them, have further support from their comrades—generally known as "die-hards," in China, who supply them with all detrimental information. It is now undeniable that there is some secret service organ in Shanghai whose purpose is to distribute all ill-information about China to the people outside. When the National Government delivered notes on the abolition of extrality to the Powers concerned, this secret organ was very active in distributing handbills abroad telling of illegal taxation in China, etc, apparently with the idea of stopping their governments from acceding to the Chinese request. When the Chinese voice the wish to take back the International Settlement in Shanghai, we find some of these "die-hards" asking leave from their offices and going home, apparently with the idea of persuading their Government not to hand back the foreign concession to the Chinese.

China welcomes foreign visitors because friendship can best be cultivated by the exchanging of unofficial visits of the nationals of all countries. The Chinese hope earnestly that all these foreign visitors will bring to the Chinese the true opinions of their people about China, and will go back to tell to their people what is truly going on in China. The Chinese hope equally earnestly that these people after staying in China, will study the present situation, and will sympathize with China's aspirations for emancipation from the "unequal treaties" which were concluded more than half a century ago; and that when they return they will, out of sympathy, advise their government that circumstances in China have changed tremendously, and that the existing unequal treaties ought soon to be abolished.

By this, we do not mean that the Chinese always want foreigners to speak "honeyed words" of China before other people. But what we want and have a right to expect is that when these people return to their home countries, before expressing their opinion on China, they should first think whether or not they are in a position to speak on this subject; and if they do speak, they should speak as internationally-minded people. Otherwise, we are afraid that it is these people who travel between China and the West—message-carriers or international friendship cultivators—who muddle the friendship between China and the Western people.

General Principles of Proposed Labor Union Law

The Legislative Yuan, which has been deliberating on the subject for more than two months, has at last made public the general principles governing the proposed Labor Union Law now being drafted by the Labor Law Committee of the Yuan. Some of these principles, as given out by *Kuo Min* Sept. 2, are as follows:

The proposed Labor Union Law shall not be applicable to staff-members or other employees of Government administrative, communications, military and industrial organs; nor shall it be applicable to those in the employ of Government-managed, educational and public utility enterprises.

The object of all labor unions should be to promote the efficiency of the workers and improve their living and other labor conditions.

A labor union shall accept the highest local Party Headquarters as its advisory organ; and the Provincial, Municipal or District Government authorities concerned as its supervisory organ.

If no labor union has been established in any industry or concern and if the local administrative authorities concerned consider it necessary to have such established, the highest local Party Headquarters may be requested to take charge of the organization thereof in accordance with the Labor Union Law.

A labor union which has not been approved and confirmed by the authorities concerned, may not exercise the rights and enjoy the privileges provided for in the Labor Union Law.

A labor union may organize cooperative or profit-sharing societies, employment bureaux, children's nurseries and create a sinking fund for the purpose of relieving the unemployed as well as other cooperative enterprises.

The highest local Party Headquarters may appoint a number of deputies to assist the Union in organizing such cooperative societies.

All disputes between labor and capital shall be settled by mediation of a third party or by arbitration; the workers shall not wilfully declare a strike in violation of the law and Government orders.

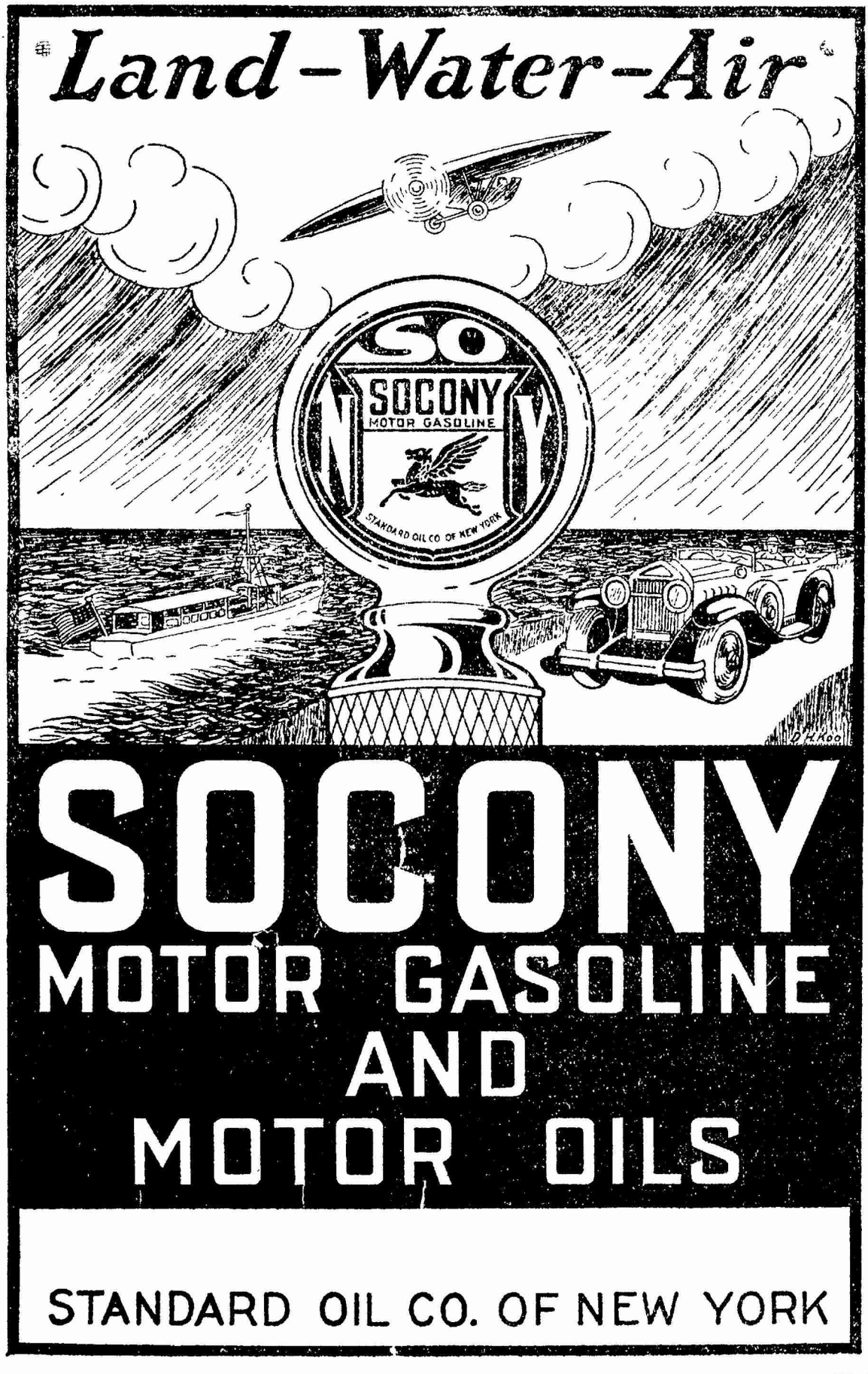
A labor union shall not declare a strike due to its failure to obtain demands for increase of wages above the standard wage scale.

A labor union shall enjoy freedom of speech and press within the limits of the law and Government orders.

A labor union shall be regarded as a juristic person; its dissolution, amalgamation and liquidation shall all conform to the provisions governing a juristic person defined in the Civil Code.

Unless with sanction from the Government, no labor union shall affiliate itself with any labor union of a foreign country.

50-072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This is the only line connecting the Yangtse valley, or the "middle country", with the southern part of China. At present it is not fully completed, but one may travel as far south as Chuchow in Honan. A motor-road connecting Chuchow and Shiuchow in Kwangtung, is now under construction and it is hoped it will be completed this year. Plans are also being made for completing the railway between Chuchow and Shiuchow but owing to the mountainous country it will be a considerable time before it can de completed. The trip between Shiuchow in northern Kwangtung and Canton can, however, be made in comfort at the present time.

Cities through which the line at present operates are celebrated for their temples and walls and gates. Changsha, with a population of 500,000, is especially worth visiting. It is called the cleanest city in China and it is noted as the only city in the south which withstood the seige of the Taiping rebels who scourged China more than half a century ago. Trade is flourishing here always, the principal articles dealt in being rice, tea, paper, tobacco, hemp, paulownia oil, earthenware and antimony. Chuchow also is an interesting city, having many temples of note. The road from Shiuchow to Canton, and thence to Hongkong, is safe, comfortable and operates with first class service.

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No. 3

CHINA AND RUSSIA DISCUSS SETTLEMENT THROUGH GERMANY

(*Continued from page 41*)

"Reports late today stated that the German ambassador to Moscow, Herr Von Dirksen, has learned that the government of the U. S. S. R. is prepared to acquiesce in a proposal by the National Government of China which will lead toward settlement of the Chinese Eastern Railway difficulty. This proposal is for the signing of a joint declaration. Moscow is understood to have accepted the idea in principle and to have returned the Chinese text with certain amendments. At the same time, the Foreign Office in Moscow has prepared and is submitting its own idea of the text of the suggested declaration, which in its final form will be signed by representatives of both countries."

This report was confirmed by a *Reuter's* message from Moscow, of the same date, which declared that the Soviet government had agreed, with certain modification, to a joint proposal which was to constitute a formal antecedent to the settling of the dispute.

The following day, September 1, a *United Press* story, dated August 31, from Moscow, declared:

"China has agreed to restore the *status quo* on the Chinese Eastern Railway, during the course of preliminary negotiations to take place in Mukden, it was learned here today. It is understood that the Soviet Government will reappoint the former manager of the Chinese Eastern Railway and instruct all employees to resume work. Meanwhile it is stated that the Sino-Russian negotiations are progressing." A later report of the same day said: "Assurance of a settlement of the Sino-Russian dispute has been official through the good offices of the German ambassador to Moscaw. Satisfaction here (Moscow) over China's acceptance is mixed with suspicion as to Nanking's good faith. Newspapers in general caution their readers against too optimistic an attitude." An excerpt from the Russian *Pravda* was quoted in support of the latter statement, and also one from the *Izvestia*, both of which reflected the attitude that China's sincerity in her avowed desire to reach an understanding on the issue was yet to be established.

Moscow's Amendments

Reuter's circulated a story from Moscow on the same day, in which it gave details as to the amendments which Moscow was supposed to have made and to which China's consent was said to have been received. According to this report the text of the Sino-Russian agreement provided that both countries should appoint representatives to a conference which was to be held for the purpose of settling all question outstanding between them, the agreement of 1924 to be taken as the basis for this meeting. There was to be a discussion of the redemption of the railway by China, as set forth in the Peking agreement. The Soviet Government had urged the appointment of a Manager and Assistant Manager who were immediately to be appointed by the Directorate. Soviet employees of the railway were to be instructed by the Soviet government, and Chinese employees by the Chinese government, strictly to adhere to Article 6 of the 1924 agreement. Both parties were immediately to release all those arrested in connection with the present incident, or since May 1, 1929. "M. Litvinoff, Assistant Commissar for Foreign Affairs, advising the German ambassador of the Soviet willingness to sign a joint declaration with China, as mentioned earlier, for settling the Sino-Russian dispute, stated that the Soviet saw no reason for appointing a new manager and assistant-manager of the Chinese Eastern Railway, as proposed in the Chinese draft declaration," meaning of course that the former officials, deported by China, should be reinstated. The *Reuter* report added that Litvinoff thought, however, that if China was prepared to dismiss the present Chairman of the Directorate (Chinese) upon whom lay the blame for the violation of the treaty, the Soviet government might consider the appointment of new Soviet officials, according to the Chinese wish, such appointment to be made at the time of the announcement of the joint declaration by China and Russia.

Denial by C. T. Wang

With this pleasant prospect of an imminent solution of the most dangerous political situation in the Far East at present, the world was all prepared to regard the matter as practically settled, until the denial of factual basis for the reports of a declaration mentioned above, by Dr. C. T. Wang, Minister of Foreign Affairs of the National Government. Just before returning to Nanking,

after a more than a week spent in Shanghai, the minister was shown the Reuter's report, and made the following statement:

"The National Government can find no reason to replace the present Chairman of the Directorate of the Chinese Eastern Railway with a new Chairman. The report from certain quarters implying that China had agreed or would agree to such a proposal from the Soviet government is absolutely groundless. As a matter of fact, no such question has ever been raised. Even should Russia put forth the demand the National Government would find it impossible to accept."

Following this, subsequent official and semi-official reports from Nanking indicated that China was not prepared to accept the Russian suggestion for the appointment of a new Chairman, and the "firm" stand of the National government was made evident by a further statement of Dr. Wang who declared to a *Ta Chung* representative, on September 3, that reports of the release of a joint declaration by China and Russia were "premature," inasmuch as China could not, under any circumstances, agree to the proposals at that time being made to Chiang Tso-ping, Chinese minister to Berlin, by the Soviet ambassador to Germany, through the German government.

From Peiping, on September 2, came a *Ta Chung* report which declared that dispatches reaching there from Berlin (supposedly given out by the German legation at Peiping) indicated that minister Chiang Tso-ping and the Soviet ambassador had reached a deadlock in their conversations, "the bone of contention being the insistence of the Soviet representative on the appointment of a new Director-General for the Chinese Eastern Railway." It was understood that the Chinese minister had telegraphed the result of his discussions to Nanking and had asked for instructions.

Economic Pressure

September 3rd a *Ta Chung* story from Peiping declared:

"Semi-official reports new state that the question of appointing a new general manager for the Chinese Eastern Railway will probably be taken up during the formal negotiations between the Soviet and the National Governments." It was suggested that economic pressure was somewhat melting the positiveness of the attitudes of both governments, the huge financial losses entailed as a result of the interruption of international traffic across the Manchu-Siberian route having proved "strong argument" for an amicable solution to the situation as soon as possible.

On the following day, from the same source, came information from Nanking that Dr. C. C. Wu, China's minister to Washington and one of the Chinese delegates to the League of Nations at Geneva, will submit a detailed report of China's case against Soviet Russia in the Chinese Eastern Railway dispute. Dr. Wu's report, according to *Ta Chung*, emphasizes that Nanking had expelled the offending Soviet officials from the railway (1) in order to suppress communistic propaganda in north Manchuria, and (2) to punish those Soviet officials who wilfully violated the Agreement of 1924, relative to the management of the railway.

Late information available Thursday night, according to a "radio" service of the *Shanghai Evening Post*, stated advices had been received at Harbin from Moscow, that "the Berlin Sino-Russian negotiations had been successful." The report concludes that no confirmation of this news has been forthcoming from the Chinese, but a *Rengo* report from Peiping on this date said that reliable information obtainable there indicated that China and Russia would shortly issue the much-discussed declaration, and that negotiations "will be centered on the restoration of normal railway traffic for which both parties concerned will make a certain sacrifice of their insistance."

The German minister to China, Baron Warzee, was reported as leaving Shanghai on Thursday night for Nanking, where he was to confer with Dr. Wang regarding the progress of preliminary negotiations between Russia and China that have been proceeding under the "auspices" of the German government.

From the above it seems reasonable to conclude that, unless the unexpected occurs, the dangerous stage of the Sino-Russian dispute may said to have been safely weathered and the settlement now is merely temporarily and partially suspended while it goes through a phase

(Continued on page 68)

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50-075

New Books of Interest in the Far East

The Asiatics Who Invented Civilization

The Most Ancient East. The Oriental Prelude to European Prehistory. By V. Gordon Childe. Published by Alfred A. Knopf, New York. 1929.

The earliest civilizations of which there is any evidence whatever belong to Asia and a strip of Africa bordering on Asia This is so fully accepted among all educated men today that there would appear to be no reason for mentioning this truism except for the number of ignorant and half-educated Westerners in our midst who, apparently knowing nothing of the origins of the civilization which we now claim as "ours," assume an attitude of superiority towards Asiatic peoples, and in many cases speak (and even "think") of "Asiatic" as meaning barbarian. And yet the whole basis of our civilization is Asiatic. Ten thousand years, ago, when our savage ancestors were eking out their precarious existence by hunting and fishing in the wild forests and on the uncertain shores of post-glacial Europe, the peoples of the Indus valley, of Mesopotamia, of Egypt, were beginning that mastery of nature which turned man from a mere food-gatherer, a parasite dependent upon the whims of nature for his primitive existence, to a producer in his own right through the intelligent utilization of the forces of nature. It was at that time that agriculture was beginning in the East, that animals were being domesticated and bred for human ends, that some of the "hard stones" our ancestors knew were being fused and transformed by metallurgy, that the beginnings were being made for writing, city-building, etc., which in a few thousand years were to blossom into the early civilizations of the Near East—the first civilizations of the world.

In the last few decades an enormous amount of material has been gained with regard to ancient Egypt, ancient Mesopotamia and the Iranian plateau, and the old civilizations of the Indus valley. For the first time this material has been collected and summarized in easily accessible and readable form.

An "Aryanist" Turns Historian

It is striking to note that it is one of the protagonists of the discredited but still persistent "Aryan" myth, V. Gordon Childe, author of "The Aryans," who is the author of this new volume. Here, however, there is little or none of the unfounded assumptions and specious reasoning common to writers of this school. In this book the author sets forth the discoveries of recent years with regard to the cultures mentioned, and except for some properly cautious deductions injects very little of his personal viewpoints into the work.

In the first chapter, "From History to Prehistory," the author traces back the chronology as far as is at all possible, bringing us back to some seven thousand years ago, prior to which time the cultural beginnings which are the primary theme of the book were being made. The author well sets forth the physical conditions of the country at the time of these beginnings, some ten thousand years ago, when what is now desert country in Arabia and Persia was still mostly well-watered plain, but with the process of dessication already in steady process.

The book is well arranged, first taking us back from the historical to the prehistoric period and then tracing developments down through several thousand years to about 3,000 B. C. Three chapters are devoted to Egypt: "The Oldest Farmers;" "The Second Predynastic Culture;" "The Rise of the Dynasties." Next comes Mesopotamia: "The Rise of the Dynasties;" "The First Prediluvian Culture;" "The Invention of Writing and the Harnessing of Animal Motive Power;" "Sumerian Civilization at the End of the IVth Millenium." One chapter deals with the early Indus civilization, and a concluding chapter discusses Europe and the East. That there was a fourth center of some kind, a maritime people playing somewhat the part of the Phoenicians of later milleniums in carrying on trade between these countries, seems certain, though very little is clearly known about them. Their country was apparently to the South, presumably southern or eastern Arabia.

Civilization and the Aryans

It would appear to be significant that the civilization becomes richer and more advanced as one travels towards the East. The Sumerian civilization of five thousand years ago certainly exceded in splendor and magnificence that of Egypt of the same period, and that of the Punjab and Sindh, with their municipal drainage systems, great baths, etc., was as clearly superior to the Sumerian civilization. We cannot, however, trace this further. There is no indication of a high civilization east of the Indus at that period.

Parenthetically, there is a temptation to ask, in connection with the mysterious blotting out of the Indus civilization of six thousand years ago, whether it was not due to the inroads of "Aryan" savages. It was at some such period that the "Aryans, according to their disciples, made their appearance in India. All that is necessary is to combine this Aryan hypothesis with the indubitable fact of the destruction of this magnificent civilization to come to the momentous conclusion that the Aryans are the natural enemies of civilization. Perhaps they were the real Huns of Attila's horde!

Mr. Childe, however, leaves his Aryans severely alone in this book I do not recall a single mention of them in whole text. Indeed, one would hardly think the two books were written by the same author. In "The Aryans" the author says that "the Aryans do appear everywhere as promoters of true progress...." that "Aryan genius found its true expression in Greece and Rome..." that the Aryans' lasting gift to the "conquered peoples" was "a more excellent language and the mentality it generated." But in "The Most Ancient East" he has discovered that "one thread is clearly discernible running through the dark and tangled tale of these prehistroic Europeans: the westward spread, adoption, and transformation of the inventions of the Orient. And it is from a study of objects of Oriental type found, imported, or copied, in the cultural provinces of Europe that we may hope to define in more than purely relative terms the age of the several cultural groups recognized in illiterate Europe." And once he even refers to his fellow-Europeans who left the shell-mounds on the shore of the Litterina Sea as "disgusting savages."

There is no Aryanism in this book simply because it would not fit the facts, and the author apparently recognizes it. The peoples of these first civilizations were dark and swarthy peoples, in no way Nordic, and with no evidence of Aryan tongues anywhere in the great expanse of territory, from the Indus to the Nile, which constituted the civilized world of five thousand years ago.

The Civilization of China

It is a long jump from southern Turkestan and the Indus valley to China. It is a jump of many thousands of miles. There is no certain evidence of any contact between the early civilization of the Near East and that of the Far East.

Childe does not mention China in his book, for the simple reason that there is nothing to mention prior to the date, 3,000 B.C., down to which he brings the record. We know almost nothing of Chinese civilization prior to the third millenium, and the scanty and doubtful material on hand gives us little basis for a comparison.

It seems likely, indeed, that in the valley of the Yellow River, and perhaps in the valley of the Tarim as well, there was a developing civilization little if at all behind the civilization of the Near East. The earliest records of the Chinese, taking us back about four thousand yeaas, show a highly developed civilization which was certainly the product of many thousands of years of growth. But we know almost nothing of the details of this growth. It is probable that men were beginning to sow grain in this part of the world ten thousand years ago, that metallurgy dates back many thousands of years, that cities were being built, documents being written, about as early as in the Near East. But we have no absolute evidence of it. We know no more about predynastic China today than we knew of predynastic Egypt half a century ago. And when we speak of the ancient civilization of China it must be remembered that this does not mean the territory which we now think of as China, most of which was then wild country, but the colonies along the Yellow River in the northwest. It is there in the interior, in the northwest, that the traces of early Chinese civilization are to be found, if anywhere.

China 10,000 B. C.

At the time the beginnings were made, many thousands of years ago, this district, like that of Persia, presented a very different appearance fron which it now does. The process of dessication was in progress, but most of what is now desert land was grassy plain or even rank forest. Much the same physical changes were taking place as characterized the Near East, and it is probable that in the Far East men developed independently these arts which for the first time gave them some control over their own sources of life,—agriculture and stock-breeding, together with metalluragy, building, writing, etc., and that distinctive element known as silk culture.

But the "descendants of the Yellow Emperor," apparently alone, as a civilized people, among the surrounding barbarians, achieved their development without the tremendous advantages of the Near Eastern civilizations, with their close contacts and interactions upon one another. The civilized Chinese seemed to stand alone, and all outsiders were simply barbarians,—a conception the extraordinary vitality of which is evidenced by its survival to the present day.

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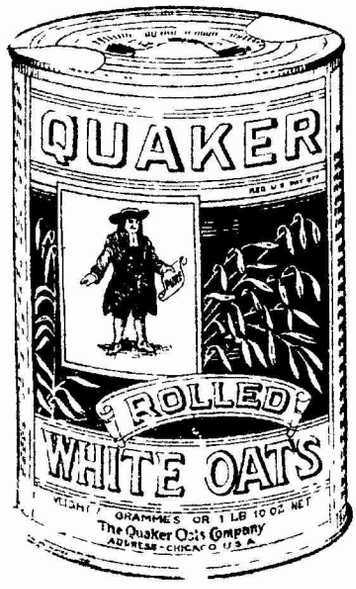

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An Englishman Blackguards His Own Country

What's Wrong with Englvud? by A. Loenard Summers. London: Robert Hayes, Limited.

This is one of the little blackguarding books, which sensational writers of all countries write about their own countries, by which the authors hope to secure glory for themselves and incidentally hope to derive a good sale of the book in foreign lands. This book happens to be English, but America and other countries have authors who indulge in the same practice.

Doubtless it is true that England is somewhat "slow", but it is evident on the face of it that conditions are not nearly as bad as they are described in this book. No, it is not 'slowness", nor lack of enterprise, nor lack of morality that has made England's position in the world of less relative importance than it was in former years. The real reason is that the world that England dominated formerly has very much changed.

England's "game" has been to exploit the far-flung empires of the earth commercially while at the same time establishing its hold with a very fair brand of judicial procedure. The idea was to have the Englishman hold his head high and pretend to the rest of the world that there was only one way to do things and that was the British way. In the economic hold which England had on the rest of the world there was one important cornerstone, which is rapidly slipping from under its feet. The commercial supremacy of England was built principally on one article—coal. England's coal was as good as any in the world and cheaper. The ships that came in with the raw products went out with much less tonnage in manufactured products but balanced their loads with cargoes of coal, for the use of manufacturers in all parts of the world. But England's coal mines are getting harder to work every year, and in these days of hydro-electric power many countries that previously bought England's coal now turn up their noses at it. No, even though England was able to live up to all the high standards which the author of this book sets for her, it would avail her little. The world that England lorded it over in the old days is getting "wiser." And its coal in the present era plays a comparatively small role. M. G. W.

Too Much Java, by Elinor Mordaunt; Payson and Clarke, Ltd., New York, 1928. 288 pp.

This is a book of the Dutch Indies, the resistless downtrend of those mixed marriages where lonely white men come against the fascination and pull of the easily-obtainable native mirage for home and family. The heroine, Laura Hanson, is a sweet girl, devoted to a worthless father, and her story is well told, albeit now and then a wrong case or tense creeps in, as in the last sentence of the book——"Come back to all the perfume of life as it is here. . . . To us, Richard nad I, and our islands." G. B. S.

BRIEF HISTORY OF SINO-RUSSIAN RELATIONS IN MANCHURIA

(Continued from page 54)

Chinese troops without the payment of fares, the Soviet Manager, Mr. Ivanoff ordered the complete suspension of traffic. He was arrested by the Manchurian authorities. Feeling ran high when Moscow delivered an ultimatum for Ivanoff's release. The Manager was finally liberated on the condition that he be removed from office.

There is little doubt that Moscow has used the railway organization for the propagation of subversive doctrines. The various offices have been utilized for the collection of military intelligence; that plans have been drawn up for the calling of strikes; and that units, constituting the nucleus of a Communistic Territorial Army were organized within the railway zone. Such activities are, obviously, violation of the 1924 treaty.

On 11 July, 1929, the Chinese authorities seized the Chinese Eastern Railway on the ground that Moscow had assiduously disseminated subversive propaganda, using the railroad offices as bases of operation to this end. Six days later, after China had ignored her demand for the return of the road to the *status quo*, Russia severed diplomatic relations with China.

Cholera Epidemic Increases in Shanghai

Cholera in Shanghai continues on the increase, according to a statement by Dr. Sung, of the Chinese Infectious Diseases in Thibet Road, which appeared in the *Shanghai Times* under the title "Cholera Situation Satisfactory." The total number of Chinese cases treated in the International Settlement alone for the first half of August was given as 1,118, this figure being more than double that of July. Considering the wide spread of the epidemic, however, the mortality rate is comparatively low, averaging two or three deaths per day.

The number of cases in the first week in August was 321, the second 797.

Total deaths since the beginning of the outbreak, down to August 21, are given as 130, including two foreigners.

Who's Who in China

Mr. Lu Hsien.
呂咸字著青

Mr. Lu Hsien was born in 1891 at Cho Lu Hsien, Hopei Province. In 1911 he was graduated from the Science Department of the Peiyang University. He continued to study there in the Law Department and graduated with the degree of Bachelor of Law in 1916.

In 1912 he became secretary of the Chihli Provincial Assembly and also President of the 15th Middle School of that Province. In 1916 he joined the Ministry of Agriculture and Commerce as a sectional chief of the Statistics Department. In the next year he was transferred to the Ministry of Education where he remained until 1922 when he was Secretary and Chief Compiler of the Directorate General of the Shantung Rehabilitation Bureau. Late in the same year he was appointed Secretary and concurrently Deputy Chief of the Secretary retary of the Ministry of Agriculture and Commerce.

In 1923 Mr. Lu became Supervisor of the Lung Yen Iron Smelting Co. In the same year he received an appointment as Secretary to the Bureau for the Settlement of Sino-Russo Affairs. In July 1924 he became advisor to the Military Governor of Suiyuan Special District. In November, he joined the Ministry of Finance as a Sec- of the Salt Administration.

In April 1925, Mr. Lu was appointed Chief of the General Department of the Directorate General for the Settlement of Sino-Russo Disputes. In August, he became Deputy Chief of the Production Bureau of the Salt Administration. In October, expert to the Commission on the Special Customs Tariff Conference, and in November, Councillor to the Directorate General for the Readjustment of the Sino-Russo Boundary Lines.

In May 1926, Mr. Lu was appointed Chief of the Industrial Testing Bureau under the Ministry of Agricuture and Commerce. In February 1927 he became Director of the Suiyuan and Paotao River Improvement Bureau.

In March 1928 the National Government appointed Mr. Lu to the post of Councillor of the Ministry of Labour, Industry and Commerce. He was concurrently a member of the Commission on the Codification of Commercial and Industrial Laws.

In August 1928 Mr. Lu became a member and concurrently Commissioner of Commerce, Industry and Labour, of the Hopei Provincial Government, which positions he is still holding. Mr. Lu is a member of the Kuomintang.

Men and Events

Dr. C. T. Wang, after a week in Shanghai, has returned to Nanking.

Mr. N. F. Allman, American lawyer in Shanghai, left Shanghai for Japan last Tuesday. He will return within a short time.

Mr. Frank Mortimer, proprietor of the Chinese-American Publishing Company, arrived in Shanghai Monday, returning from a short holiday in Japan.

Mr. Frank Diebold, manager of Getz Brothers, Shanghai branch, left here last Friday for a trip to Manchuria, on business. He will be gone about one month.

The reported resignation of Sun Fo, minister of Railways, which was stated to be imminent, is now asserted to have been merely another of those fleeting small rumors.

Miss Margarete Dutton, secretary at the American School, has returned to Shanghai after a three weeks visit in north China, having visited Tientsin and Peiping.

According to information furnished by the Ministry of France, the report of the Inspectorate of Customs for recent tax collections are over Hongkong Taels 10,000,000 monthly.

Mr. and Mrs. H. M. Merriam, New York City, arrived in Shanghai aboard the Dollar Liner *President Garfield* last Monday, on a combined business and pleasure trip to Shanghai.

Miss Opal Powell, dietician at the American Club and the Columbia Country Club, left Shanghai last Sunday for a several weeks visit which will include Tientsin, Peiping and Dairen.

The Shanghai Bar Association has admitted to its membership the following: Miss Souma Cheng, Mr. Yuan Hsi-lien, Mr. Chang Ping-wei, Mr. Tang Hui-ti, Mr. Hu Chia-pao and Mr. Wang Wei-chow.

In compliance with the request of the military authorities of Kansu and Shensi the Central Government has ordered the transportation of 100,000 bags of wheat to these two famine-stricken provinces.

The China International Famine Relief Commission has received Yen 1,000 from the Women's Peace Association in Japan, for famine relief work in China. The money was contributed largely by students.

On Tuesday Admiral Mark L. Bristol of the United States Asiatic Fleet gave a farewell tiffin aboard the Pittsburgh to his friends in Shanghai. He will leave shortly for the United States, travelling across Siberia.

Lieutenant Commander Webb Frammel, intelligence officer of the U. S. Asiatic Fleet, embarked on the same boat as did Lieutenant Commander Lavendar. He will be stationed at Washington upon his return to the United States.

Lieutenant Commander R. A. Lavender, flag secretary of the United States Asiatic Fleet, accompanied by his wife and daughter, left Shanghai Wednesday afternoon on the Dollar Liner *President Garfield* for the United States, via Suez and Europe.

Mr. and Mrs. S. Bruce Jenkins returned to Shanghai last Monday, aboard the *Shanghai Maru*, after having spent a five weeks honeymoon in Japan. They will be at home on Route de Boisezon. Mr. Jenkins is local manager of the American Asiatic Underwriters.

J. B. Powell, editor of the *China Weekly Review* and correspondent for the Chicago Tribune, is still in Manchuria. He was a member of the party of four American journalists, headed by the German Consul at Harbin, Herr Hansel, which recently witnessed the firing on Chalainor, on the evening of August 30.

Mrs. W. I. Eisler, after an absence from Shanghai of two years, returned to this city aboard the Dollar Liner *President Garfield* last Monday. The same vessel brought Dr. and Mrs. A. L. Bawden, of the American Baptist Foreign Mission Society. Dr. Bawden is a professor of chemistry at Shanghai College.

In response to the complaint of the Kiangsu people on the taxation of bamboo and lumber, Chairman Chiang Kai-shek has issued a special order to the Commissioner of Finance for this province, requesting the immediate abolition of such assessments. Chiang maintains that none of these revenues reaches the national treasury and that the tax merely benefits a few grasping local tax collectors.

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THE CHINA WEEKLY REVIEW

4 AVENUE EDWARD VII *SHANGHAI*

50-079

CHINA AND RUSSIA DISCUSS SETTLEMENT THROUGH GERMANY

(*Continued from page 63*)

of "face-saving" efforts by both parties concerned. The conflict of reports emanating from Moscow and Nanking in the earlier part of the week seems somewhat to have been modified by definite declarations from the Chinese capital that hopes for imminent success of Chiang Tso-ping's diplomacy at Berlin are widely entertained. Dr. Wang's denial of the reported Soviet statement that an agreement had been practically reached probably is accounted for by the fact that the "conversations" are proceeding in such a round-about manner. It is probable that Chiang Tso-ping made certain proposals, which were met in part by the Russian ambassador, conversing through the German government, after Moscow had voiced its attitude. Upon Chiang's agreeing to forward the amended proposition to Nanking, the assumption naturally may have been that it would meet with approval, which assumedly explains the announcement from Moscow with which Dr. Wang took exception and classified as "premature."

Diminishment of Raids

That a peaceful trend is more firmly established is evidenced in the diminishing reports of Soviet incursions on the Manchurian border. Until the past week there has been almost daily news of additional pillaging and attacks upon various cities along the Kirin and Heilungkiang border. The past seven days have witnessed no serious developments in this respect, however, with the exception of an additional raid on the much-beseiged town of Chalainor. Details of this are worth noting. Of it *Ta Chung* reported:

"According to divisional commander Liang Chung-chin at Chalainor, a detachment of 700 Soviet cavalry troops accompanied by 7 tanks, and machine guns, opened fire on the Chinese defense force at Chalainor on the evening of the 30th (August) just at the moment when a number of foreign press correspondents, accompanied by the German consul at Harbin, Herr Hansel, arrived at this city to inspect the damages already done by previous gun-fire." Other services later reported the same attack and the *Review* has since learned from one of the foreign correspondents that the firing actually took place. There have been no official statements as to the number of casualties on either side. The Russians withdrew after a short barrage.

Other reports of belligerence and troop movements during the week may be summarized as follows:

On August 31 it was reported that the Soviet forces had advanced their position to within 1,000 metres of the Chinese outposts at Manchuli. The same day it was declared that 800 Soviet infantry appeared near Huichun on the Kirin-Siberia border. It was reported from Harbin on September 2 that martial law had been proclaimed in the entire Manchuli-Hailar region, as a result of "renewed raids by Soviet troops"—presumably those occuring in the previous week. In the same report it was declared that a dispatch from Manchuli Field-headquarters stated that two Soviet armored trains appeared near the border on the morning of August 31, but left during the latter part of the day. It was stated also that the Soviet military unit near Chalainor was reinforced by an additional detachment of over 1,000 cavalrymen.

From Shenyang (Mukden), on September 2, the recapture of Tungninghsien was reported. Taken several days previously by what were alleged to be Soviet soldiers, the city was again in the hands of the Chinese on August 30, the communique stating briefly that the returning Chinese found that every house had been sacked, that a number of citizens had been killed or injured and that extensive damage to property had been inflicted.

On September 3rd on official communique from Harbin said that shooting was heard near the Manchuli "front" on the evening of September 1 and it was also reported that a detachment of 3,000 Soviet cavalry, equipped with 2 one-inch cannon and 7 trucks, had arrived at Abaktu on the same evening. Chang Hsueh-liang continued to dispatch reinforcements to the three main concentration points: Suifenho, Chalainor and Manchuli. A squadron of 8 additional bombers was sent to the last named city on September 2.

Soviet prisoners now being detained in Harbin jails are said by the German consul at that city to number 940, both men and women being among those detained. On behalf of the Moscow government Consul Stobbe has investigated the treatment being given the prisoners and has announced that from the Soviets he has received G.$50,000 to assist the victims of the present controversy. All those who have been forced to resign from railway or government positions, those interned, and their families, are to be helped from this sum, according to Herr Stobbe.

Garcia Appeal Heard

The hearing of the appeal filed by Carlos Garcia and G. F. del Valle was scheduled for 2 p.m. Friday, Sept. 6, in the Court of Appeals of the Provisional Court. Acting Presiding Judge K. W. Tseng of the Criminal Division of the Court of Appeals, and Judges Chiu and Shen presided at the hearing. The appeal has been made against the decision of Judge John C. H. Wu, who, in the Provisional Court on July 25, sentenced the two Mexicans to one year's imprisonment and fined them $2,000 each on charge of operating a public gambling establishment.

Garcia was arrested June 19 with a Mexican warrant issued by Judge Norwood F. Allman, Mexican Consul, on charge of operating a public gambling establishment and of threatening to kill a police officer. He was released on $5,000 bail. June 21 del Valle was taken into custody charged with being manager, partner and agent of the Wheel at 151C Bubbling Well Road. June 27 the Mexican Consul announced that the abrogation of the Sino-Mexican treaty took the accused out of his jurisdiction and they were freed to be rearrested on a warrant issued by the Provisional Court. After protracted hearings of the case, the sentences of one year's imprisonment and fines of $2,000 were passed by Judge Wu upon both men. Garcia and del Valle have been lodged in the Amoy Road jail since June 27. In the event of their being found guilty by the Court of Appeals, the days of detention will be counted at the rate of two days of detention to equal one day of imprisonment.

Hector Fournier and L. R. Santos, also Mexicans charged with operation and frequenting a gambling resort at 5 Yates Road, were sentenced Aug. 2 to one year's and two months' imprisonment respectively, and Santos was fined $1,000. They have also filed an appeal which will be heard after the completion of the Garcia-del Valle case.

Kilgore Given Farewell Parade

Lieutenant Colonel Fred D. Kilgore, second in command of the 4th Regiment, United States Marine Corps, who will leave Shanghai today aboard the Dollar Liner *President Pierce* reviewed his regiment for the last time when it paraded before him last Thursday morning, as a final gesture of farewell.

Arriving in China during the time of the trouble here in February 1927, Lieut-Colonel Kilgore has been with his regiment stationed in Shanghai since that date. He was in command of the unit following the death a year and a half ago, of Colonel Charles Hill The death in America of Colonel Henry C. Davis, who was to have returned to take charge of the regiment, left Lieut Colonel Kilgore in command until last January, when the present commanding officer, Colonel C. H. Lyman, arrived here.

Shanghai bids farewell to Lieut-Colonel Kilgore with regret; he has been a popular and valuable American in this community. He will take with him the good wishes of all Americans here, and due appreciation for the services he has rendered.

Kao Yings Arrive in Shanghai

Kao Ying, former Chinese vice-consul at San Francisco, his wife, and Su En-foon, accused of smuggling opium into the United States, who have been turned over by the American authorities to China for trial, arrived here aboard the *Shinyo Maru* Friday morning. The boat was met at Woosung by a police launch and the trio were taken to Nantao, where it is understood they will be placed in confinement awaiting formal charges by the National Government and trial in the Shanghai District Court.

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Shimbun Rengo News Service.

Peiping, Aug. 27.—The Belgian Minister, Baron d'Hernalle will leave here for Nanking today to confer with C. T. Wang.

Peiping, Aug. 27.—Chang Chih-chiang has arrived here from Nanking en route to Shansi where he will confer with Feng Yu-hsiang on the disbandment of the 2nd Group Army Corps.

Nanking, Aug. 27.—It is understood that the German Government will approach the Japanese Government concerning arrangements for the assistance of the Japanese authorities in protecting Chinese in Russia.

Nanking, Aug. 27.—The Soviet Government has denied any act of invasion into Chinese territory and has announced that suitable measures are being taken against the invasion into Russian territory of White Russian troops under the direction of the Chinese army.

Peiping, Aug. 28.—Mrs. Woodrow Wilson has arrived here and registered at the Hotel de Pekin.

Peiping, Aug. 29.—The American Minister, J. V. MacMurray, has returned here from Peitaiho.

Nanking, Aug. 29—Chang Hsueh-liang has requested postponement of the abolition of Chinese Commissioners of Foreign Affairs in the northeastern provinces.

Nanking, Aug. 29.—Chu Shao-yang, Minister to Finland, has returned here from Harbin.

Tokyo, Aug. 30.—A marked increase is reported in Japan's exports to China.

Tokyo, Aug. 30.—Manabu Kagayama, who has been engaged as adviser to the Ministry of Railways of the National Government, has left here for Nanking.

Harbin, Aug. 30.—The Japanese Consulate-General here has protested to the Chinese authorities against the breaking into and robbing of a Japanese residence by Chinese soldiers at Mutanchiang on Aug. 28.

Mukden, Aug. 31.—Anti-Soviet demonstrations were held here today.

Mukden, Aug 31.—Fengtien troops, approximataly 15,600 strong, are reported to have arrived at Tsitsihar.

Peiping, Sept. 2.—Two carriers of the *Shun Tien Hsi Pao*, Japanese owned paper, were arrested and taken to the office of the Union of News Carriers yesterday; a protest has been lodged through the Japanese legation with the Chinese authorities.

Tokyo, Sept. 2.—K. Yoshizawa, newly appointed Japanese ambassador to France, has returned here from Peiping.

Peiping, Sept. 2.—Tung Yueh-liang and Hsiung Ping have arrived here en route to Shansi from Nanking.

Tokyo, Sept. 3.—The Japanese Cotton Millowners' Association in China has passed a resolution, to be submitted to China's tariff deliberation conference, that revision or abolition of import dues on cotton-yarn at the present time is premature.

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From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official). Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press.

Tuesday, Aug. 27.—Chiang Tso-ping, Chinese Minister to Berlin, reports that the Soviet Government has indicated its willingness to appoint a new manager for the C. E. R. as a preliminary to formal negotiations.—The Central Government will appoint a special deputy to direct the campaign against banditry in Shantung; $300,000 a month will be appropriated for expenses.—Military measures for the strengthening of the Sinkiang border against invasion by Soviet Russia have been completed.—M. de Warzee, Belgian Minister, is leaving Peiping for Nanking to confer with C. T. Wang relative to final arrangements for the taking over of the Belgian Concession in Tientsin, the abolition of consular jurisdiction and the revision of the Sino-Belgian Treaty.—A large quantity of morphia and Indian opium was discovered in a raid on the Chen Chow drug store, whose owner is a naturalized Spanish subject, in Kulangsu.—A conference of Brigadier and Divisional Commanders of Kwangtung Provisional Forces to formulate measures for disbandment was opened today.—C. T. Wang has requested Chang Hsueh-liang telegraphically to take appropriate military steps to strengthen the border defence.—Hsu Yung-chang has been transferred from the chairmanship of Suiyuan Government to that of Hopei in succession to Shan Chen and Li Fu-ying has been appointed Gendarmerie Commander for Peiping.—Shen Hung-lieh, Commander of the Northeastern Squadron, has arrived in Harbin to confer with Chang Ching-hui on the transportation of troops across the Sungari River.—Soviet troop movements along the Siberian-Manchurian border have been reported in a Communique from Liang Chung-sun.—Divisional Commanders Chow Lan and Liu Chien-shu have arrived in Changsha to confer with Ho Chien concerning disbandment of the Hunan forces.—Chu Shao-yang has arrived in Peiping en route to Nanking where he will report in detail on his meetings with the Soviet representative at Manchuli.—Daniele Vare, the Italian Minister has received instructions to investigate into the actual state of affairs along the Sino-Russian border.

Wednesday, Aug. 28.—Upon petition by the Fukien Government the State Council has issued a warrant for the arrest of six bandit leaders in Fukien and has offered rewards varying from $3,000 to $10,000 for their capture.—Another book of the Chinese Civil Code, corresponding to the occidental law of property is being drafted by the Law Drafting Committee of the Legislative Yuan.—It has been decided that the Kwangtung Forces be reduced to five Divisions and that the disbanded troops be organized into a Provincial Garrison Force.—An Anti-Soviet meeting is to be held in Nanking under auspices of the Anti-Soviet Association.—The Chekiang Provincial Department of Reconstruction has formulated a scheme for the building of inter-hsien roads and the inauguration of regular steamboat service.—The Mongolian and Tibetan Affairs Committee is considering the appointment of 28 deputies to Mongolia and 16 deputies to Tibet on an inspection mission.—The Headquarters of the Commander-in-Chief will be abolished from September 1.—Comte de Martel, French Minister, will proceed to Nanking shortly to resume negotiations with C. T. Wang for the conclusion of a new Sino-French Commercial Treaty for Annam.—The signing of the new Sino-Polish Treaty will take place at Nanking next week.—A mandate prohibiting the exportation abroad of rice, flour or any foodstuff has been issued by the State Council.—The Communists under Chu Teh have evacuated Nanyang and retreated in the direction of Tatien.—The Commission of Inquiry appointed by the Ministries of Communication and of Industry, Commerce and Labor to investigate into the management of the China Merchants Steam Navigation Company has advised complete reorganization of the company.—Li Fu-ying has arrived in Peiping to assume his new post as Gendarmerie Commander.—Soviet troops are reported to have crossed the Amur River by gunboat on the 27th inst.—Chang Hsueh-liang has reported that the White Russians in Harbin were recently prevented by

CUSTOMS NOTIFICATION
No. 1159

The public is hereby notified that the Chinese Government has prohibited the importation into China of Racing Dogs and from to-day's date therefore such animals may not be landed in Shanghai from abroad.

N. H. Schregadus
For Commissioner of Customs.

Custom House,
Shanghai, 4th September, 1929.

In the United States Court for China

In re Estate
Last Will & Testament
of
VLADIMIR LUGEBIL,
Deceased

Cause No. 3211
Estate No. 703
NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of VLADIMIR LUGEBIL deceased, to present the same with vouchers to the undersigned on or before February 17, 1929, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

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Chinese authorities from organizing a Russian Far Eastern Association against the Third International.

Thursday, Aug. 29.—Chiang Kai-shek has been appointed by the Central Political Council Honorary Chairman of the National Track Meet to be held in Hangchow in April, 1930.—By order of the Commander-in-Chief salaries of all military officers above the rank of Captain will be reduced 20% next month.—A provincial Conference for Kwangtung has been called for the latter part of September.—Shanghai offices of the various Ministries are to be either closed or separately amalgamated with some kindred organ.—A stock Exchange Law has been drafted by the Law Drafting Committee of the Legislative Yuan.—Arrangements have been completed with the American Naval Authorities for admission of Chinese naval officers to the American Naval Academy to study modern methods of maritime surveying.—Reports of renewed attempts to destroy the permanent way of the C. E. R. by Russian Communists have been received from the Railway Administration at Harbin.—Chang Hsueh-liang has reiterated the support by the Northeastern authorities of the Central Government in the Sino-Russian situation.—In memory of the 87th anniversary of the signing of the Treaty of Nanking, a humiliation service was held at the Central Party Headquarters this morning.—It is proposed to amend the law governing the organization of judicial courts to provide for abolition of the system of public prosecution of procurators attached to the courts and the establishment of more district courts.—Chang Tso-ping, Chinese Minister to Germany, is leaving Berlin for Geneva with Kao Lu, Minister to Paris, as the National Government's delegate to the League of Nations Session.—The Ministry of Foreign Affairs has prepared an official reply to the Soviet note demanding that the Chinese troops cease attacking Soviet forces and that the activities of White Russians be suppressed.

Friday, Aug. 30.—The draft of the proposed Sino-Czechoslovakian Treaty of Amity and Commerce is understood to have been initiated by Hsu Mo and the Czechoslovakian representative.—Ho Chien is organizing the office of the 3rd Branch Disbandment District for carrying out the disbandment program of the Hunan Provincial Forces.—Ho Chien and Hsu Yung-chang, chairmen of the Hunan and Hopei Governments respectively, have pledged their cooperation with Nanking in carrying out the disbandment program.—The Standing Committee of the Central Executive Committee has instructed that no member of the Executive Committee of any Party Headquarters may leave his post except under instruction from the Central Party Headquarters, or when despatched to the Capital on official duties.—The resignation of Tsai Yuan-pei as President of the Control Yuan has been accepted.—Wang Yung-pao, Minister to Tokyo, reports that the Japanese Government has again denied that Japanese troops in South Manchuria have been increased.—A campaign to uproot the gambling evil in Kwangtung is shortly to be launched under auspices of the Provincial Government Committee.—The total strength of the Soviet troops stationed near the Manchurian border is estimated at six divisions.—It is reported that a small Soviet cavalry unit with over 200 motor trucks has arrived near the Manchuli front.—Machine-gun attacks on the Manchuli front and the sacking of several cities along the Heilungkiang border are reported from the Field Headquarters.—Two passengers were killed and over 20 injured as a result of the derailment of a train near Suifenho on the Harbin-Suifenho section of the C. E. R.—The police have raided the Angasta News Agency, edited by an Englishman, seizing pamphlets and handbills.—It is reported that the civilian volunteer corps of Huyang recaptured Yungchun from the Communists on the 27th inst.—Mao Cheh-tang is reported to have succumbed to wounds.—Chang Hsueh-liang has agreed to cooperate with Nanking in carrying out the disbandment program.

Saturday, Aug. 31.—All civil and military officers of the National Government are to receive only 80% of their salaries till the conclusion of the period of military disbandment.—C. T. Wang and Baron de Warzee, Belgian Minister, have instructed their respective delegations in Tientsin to sign the formal agreement for the retrocession of the Belgian concession at Tientsin on Aug. 31.—Beginning from October, the provincial treasury of Kwangsi will pay for the maintenance of the Kwangsi troops alone.—The Aviation Department of the Ministry of War has assumed direct jurisdiction

over the Provincial Air Force of Yunnan. The administrative expenses of Hopei are to be reduced so as to make up the monthly deficit of $600,000, according to the program of Hsu Yung-chang, newly appointed chairman of the provincial Government.—Six airplanes, including the "Spirit of Canton" will hop off from Canton for Nanking under command of Chang Hui-chang Sept. 2.—The 1st Army Corps of the Anti-Soviet Army under Wang Shu-chang departed from Shenyang for Suifenho this morning.—An open competitive examination for the selection of District Magistrates in the proving of Kwangtung is to be held shortly.—All passenger and freight charges on the C. E. R. which have heretofore been calculated in gold rubles are to be in Chinese currency hereafter.

Sunday and Monday, Sept. 1 and 2.—Pursuant to instructions from Chiang Kai-shek Ho Chien has despatched Hunan provincial troops to the Kiangsi-Hunan border to assist in rounding up the bandits there.—158,300 soldiers and officers of the former 2nd Group Army have already been disbanded at the total expenditure of four million dollars, according to a report submitted by Lu Chung-lin, Director of the 2nd Disbandment District.—To facilitate the suppression of banditry in Shantung, the provincial government has divided the province into four bandit-suppression districts.—The signing of the rendition agreement of the Belgian Concession in Tientsin took place in Tientsin Aug. 31.—A draft military criminal law has been formulated by the Military Affairs Committee of the Legislative Yuan.—The Ministry of War is preparing to open Aviation Institutes in the various provinces for the training of airplane pilots.—84 Soviet citizens accused of attempting to agitate a strike in the mines at Chalanor and 250 former Soviet employees of the C. E. R. have been taken into custody during the last two days.—In memory of the Tsinan Incident of May 3, 1928, the Shantung Government Committee has decided to build a Memorial Hall in the Tikung Temple.—Reports of the settlement of the Sino-Soviet dispute by a joint declaration of the Soviet and National Governments are officially declared to be premature.—Ho Chien has arrested a number of men suspected of attempting to create a Communist uprising in the province of Hunan.—The Legislative Yuan has requested the Executive Yuan to instruct the Salt Gabelle to draft a law governing the levying of salt taxes.—The construction of a railway connecting Tsingkiangpo, across the Yangtse River from Kiangyin, with Nantungchow is under consideration by the Ministry of Railways.—Preparations for the convocation of a Second National Opium-Suppression Conference at the Capital in November are in progress.—Foreign diplomats are reported to have suggested to Chien Tai, deputy of the Ministry of Foreign Affairs, that the National Government formulate the procedure for the abolition of extra-territoriality.—The province of Kwangtung has been divided into five bandit-suppression districts.—Chalanor was again attacked by Soviet troops on the night of Aug. 30, according to a despatch from Liang Chung-sun.

Lady Hay And Her Burden of Greetings

Lady Drummond Hay, on the strength of being the first woman to arrive from Europe by air, offers (according to a Japanese contemporary) the greetings of the women of the West to their sisters in Japan. "As the first woman to span the uncharted vastness between the East and West, I have the honour of being the bearer of the greetings of the womanhood of the western countries to our Japanese sisters, whose traditional beauty, modesty, and self-sacrificing nature is now being fired by the vital spark of progress." We can only hope the word "fired" is not used in the sense in which Gordon Bennett used to use it when he entered the office like a cyclone and said, "You're all fired." One of the messages speaks of the airship dropping spare water ballast; she also dispensed with some spare gas. (*From the Japan Chronicle*).

Graf Zeppelin Encounters Storms

The arrival of the Graf Zeppelin at its home base of Friedrichshafen has been delayed by storms which the forced the airship to make a long detour. At 4 p.m., Greenwich time September 3, the dirigible was reported to have passed Cape Ortegal and to be sailing along the French coast, apparently heading for Nantao. On the night of September 1-2 she encountered storms over the Atlantic, but suffered no mishap.

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* No. 1	d.18.00	a 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19 27 d.20 07	a.13.26 .13.4	a.12 18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a 10.50		
No. 23	d 5.40	a 21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Han-kow	Hsiao-kan-hsien	Cheng-chow	Shih-kia-chuan	Pei-ping
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* No. 12	d.10.50	a 14.51 d.14.56	a 13.13 d.13.33	a 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a 16.01 d.16.03	a 10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a 20.06
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Australia	4½	May 1, 1956	85⅞	5.51
U. S. of Brazil..... ..	6½	Oct. 15, 1957	88¼	7.49
Kingdom of Belgium...	7	Nov. 1, 1956	106	6.52
City of Budapest.....	6	June 1, 1962	75¾	8.12
Canadian Pacific Railway	4	Perpetual Stk.	82½	4.85
Chgo., Milw., St. Paul & Pacific Rwy.....	5	Jan. 1, 2000	79⅞	6.29
ChicagoRapidTransit Co.	6	July 1, 1953	87	7.14
Chile Copper Co. Debs..	5	Jan. 1, 1947	93½	5.59
Chile Government.....(Railway)	6	Feb. 1, 1961	91	6.69
Cuba Northern Railway.	5½	June 1, 1942	79	8.15
Chile Government.....	6	Sep. 1, 1961	90¼	6.75
CubanDominicanSugar. .	7½	Nov. 1, 1944	62⅞	——
Kingdom of Denmark...	6	Jan. 1, 1942	104	5.55
Dutch East Indies.....	5½	Nov. 1, 1955	103¼	5.27
Republic of Finland....	5½	Feb. 1, 1958	85½	6.64
French Government....	7	Dec. 1, 1949	109¼	6.19
German Government....	7	Oct. 15, 1949	105⅞	6.47
German Central Bank... for Agriculture.....	6	Oct. 15, 1960	78¾	7.83
German Central Bank... for Agriculture.....	6	Apr. 15, 1938	86¼	8.28
German General Electric Co.	6	May 1, 1948	92	6 76
Greek Government.....	6	Feb. 1, 1968	82½	7.38
Ilseder Steel Corporation	6	Aug. 1, 1948	83½	7.66
Kingdom of Italy.....	7	Dec. 1, 1951	95¾	7.39
Japanese Government...	6½	Feb. 1, 1954	100¼	6 48
State of Minas Geraes.. (Brazil)	6½	Mar. 1, 1958	89	7.43
Mortgage Bank of Chile	6	Apr. 30, 1961	91½	6.65
Norwegian Hydro-Elec.-Nitro. Corp.....	5½	Nov. 1, 1957	88½	6.39
Kingdom of Norway....	6	Oct. 15, 1952	102⅛	5.83
Northern Ohio Power & Light Co.....	6½	Jan. 1, 1941	97	6.88
Republic of Peru.....	6	Dec. 1, 1960	84¼	7.29
Paris, Lyons & Med Rwy.	6	Aug. 15, 1958	99½	6.04
Republic of Panama....	5	May 15, 1963	91	5.60
State of Rio Grande Do Sul (Brazil).....	6	June 1, 1968	81¼	7.49
Rhine Westphalia Elec. Power Corp.	6	Aug. 1, 1953	92⅞	6.59
Saxon State Mortgage.. Inst	6½	Dec. 1, 1946	87	7.90
Saxon Public Works,Inc.	6½	May 1, 1951	88½	7.59
Tokyo Electric Light Co.	6	Jun. 15, 1953	87¼	7.12
United Kingdom of Gr. Britain	5½	Feb. 1, 1937	102⅜	5.11
City of Vienna	6	Nov. 1, 1952	86	7 26
Abitibi Power&PaperCo.	6	Cum. Pfd. Stock.	84	7.14
BelgianNat'l.Rwy.Pcptg. Pfd. Stock.....	6	(American Shrs)	84	7.13
Cannon Mills Co..... (Dividend $2.80 p. a.)		Common Stock	46	——
General Mills, Inc.	6	Cum. Pfd. Stock.	94⅞	6.32
General Mills, Inc. .... (Div. $3.00 perannum.)		Common Stock	72	——
Hershey Chocolate Corp. Convertible.....	4	Pfd. Stock	125½	3.19
Mohawk Carpet Mills, Inc. (Div $2.50 p.a.)..		Common Stock	64½	——
Pennsylvaina-Dixie Cement Corp	7	Cum. Pfd. Stock.	50¼	——
Willys Overland Co....	7	Cum. Pfd. Stock	95½	7.33
General Motors Corp. (New).....		Common Stock	71¾	——
Andes Copper MiningCo.		Common Stock	58½	——
United States Steel Corp.		Common Stock	257⅜	——
Standard Oil Co. of New Jersey		Common Stock	70¼	——
Standard Oil Co. of New York		Common Stock	43	——
Pennsylvania Railroad.. Company.....		Common Stock	109	——
United Aircraft & Transport Corp.'(p v. $50)..	6	Pfd. Stock	90¼	3.31
United Aircraft & Transport Corp.		Common Stock	134¼	——

NOTE: The above quotations are received by Cable, and while believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 4th, September, 1929

Silver:—The week opened on the 29th August with Bar Silver at 24 7/16d. for spot and 24 7/16d. for two months delivery: on the 31st a drop of took 1/16d. place followed by a further fall of 1/16d. on the 2nd inst to 24 5/16d and 24 5/16d, respectively. Yesterday there was no change, but to-day silver is down another 1/16d. to 24 1/16d and 24 3/16d.

Exchange:—The official rate has remained unchanged this week at 2/4¼d.

On the 29th and 30th August rates remained immovable at 2/4 5/16d for T/T on London and 57⅝ for G. Dollars on ew York, and business almost at a standstill. On the 31st however there was some news of a probable settlement by negotiation of the Sino-Russian imbroglio and some speculative buying set in, the market becoming easier, silver also being 1/16d. down. On Monday, the 2nd inst, with silver again down 1/16d. at the opening there was a slight flurry with a lower tendency, and selling rates at the close of the day were approximately 2/4 3/8d. for sterling and for G. Dollars 57⅜ for merchants. Yesterday there was, if anything, a slightly easier tone; but this morning, in spite of a further drop of ¼d. in silver, our market has been steadier, and at the close we quote Banks selling ra es to merchants as follows:—T/T on London 2/4 5/16d., on New York 57⅜, and Yen 81½.

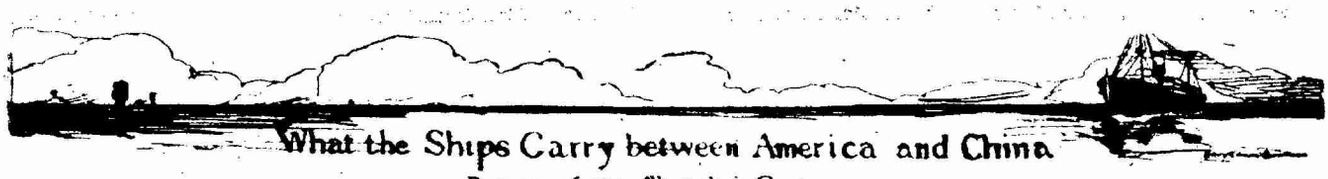
Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... .....Tls 91,109,000 a decrease of Tls. 1,098,000
Chinese and Mexican Dollars ..... $134,690,000 an increase of $4,040 000
Estimated value Tls. 188,085,000 as against Tls. 121,734,000 held at this time last year.

	Average rates for July	Thursday August 29th	Friday August 30th	Saturday August 31st	Monday September 2nd	Tuesday September 3rd	Wed., September 4th
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.240	2/4¼	2/4¼	2/4¼	2/4½	2/4¼	2/4¼
D/Dfts ,,	—	2/4 5/16	2/4 5/16	2/4 5/16	2/4 5/16	2/4 5/16	2/4 5/16
4 m/s ,,	—	2/4 7/16	2/4 7/16	2/4 7/16	2/4 7/16	2/4 7/16	2/4 7/16
T/T India	158.259	158	158	158	158	158	158¼
T/T France	1,459.323	1460	1460	1460	1460	1460	1460
T/T On N.Y Demand	57 009	57	57	57	57	57	57
T/T Hamburg R. M.		57⅛	57⅛	57⅛	57⅛	57⅛	57⅛
T/T H'kong	83.524	239½	239½	239½	239½	239½	239½
T/T Japan	81.884	83½	83½	83⅝	83¾	83¾	83¾
T/T Batavia	142.184	81¾	81¾	81¾	81¾	81⅝	81⅝
T/T Straits	98 528	142½	142½	142½	142½	142½	142½
Bk's buying rates		98½	98½	98½	98½	98½	98½
4 m/s B/L. Cred. D/A	2/5.930	2/6	2/6	2/6	2/6	2/6	2/6
4 m/s ,, D/P	—	2/6⅛	2/6⅛	2/6⅛	2/6⅛	2/6⅛	2/6⅛
6 m/s ,, B/L Cred D/A	2/6 303	2/6 5/16	2/6 5/16	2/6 5/16	2/6 5/16	2/6 5/16	2/6 5/16
4 m/s B/F Cred D/A or D/P	1,544.231	1545	1545	1545	1545	1545	1545
4 m/s N.Y.Lc.	60.101	60⅛	60⅛	60⅛	60⅛	60⅛	60⅛
4 m/s ,, Doc.	—	60⅜	60⅜	60⅜	60⅜	60⅜	60⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling	Aug. 29	Aug. 30	Aug. 31	Sept. 2	Sept. 3	Sept. 4
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	24 5/16	24 5/16	24 1/4	24 3/16	24 3/16	24 1/16
**New York Price of Bar Silver per oz. (Pure)	G.$ 52⅝	52⅝	G.$ 52⅝	G.$	G.$. 52¼	G.$. 52⅛
Shanghai Price of Gold Bars (weight Tls. 10 (Changping) 978 touch)	Tls. 393.80	Tls 394.80	Tls 397.40	Tls. 398	Tls 398.80	Tls. 397.80
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111.0	111.00	111.0	111.0	111.0	111.06
Shanghai Mexican Dollars per $100	71 925	71.90	71 8875	71.8875	71 8875	71.8875
Native Bank Rate of Interest (Call money)	2½%	2%	3%	2½%	2½%	2½%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day ...						

Bank of England rate of discount	5½%	London on Paris	T/T 123.88
Bank of France rate of discount	3½%	New York on London	T/T 4.84¼
London open Market of Dis. 3 m/s	5 9/16%	Bombay on London	T/T 1/5 1/32
,, 4 ,,	5 5/16%	Hongkong on London	T/T 1/11⅛
,, 6 ,,	6⅛%	Kobe on London	T/T 1/11 1/16



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; Aug. Customs Rate Tls. 1.56 equal Gold $1

TAIYANG, July 3.
To U. S. of America.

Egg Albumen, Frozen ..	Pls.	12
Egg Yolk, Frozen	,,	1,617
Egg Whole Egg, Dried..	,,	168
Egg Whole Egg Frozen	,,	750
Skins, Doe Untanned ..	Pcs.	5,000

CITY OF MANDALAY, July 3.
From U. S. of America.

Iron, Galvanized:		
Pipes and Tubes	Pls.	1,255
Iron Pipes	,,	410
Iron Wire Shorts.....	,,	693
Steel Galvanized:		
Sheets, Plain.....	,,	409
Wire Shorts.....	,,	2,503
Steel Bar Ends	,,	776
Steel Wire, Rods.....	,,	7,012
Lead-foil and Tinfoil ..	,,	1,023
Tinned Plates, Scraps...	,,	723
Indigo Paste, Artificial:		
20 per cent. strength	,,	777
Tobacco, Stalk	,,	1,517
Tobacco Leaf.....	,,	3,068
Oil, Lubricating, wholly Mineral	Galls.	39,642
Paints:		
Green.....	,,	50
Other kinds.....	,,	125
Cigarettes	Mille	5,000
Shoes, Leather.....	Pairs	99
Dyes, Aniline Pkgs.	233 Hk. Tls.	3,140

YOKOHAMA MARU, July 4.
To U. S. of America.

Silk, Raw, Steam Filature:		
White, Shanghai Bls.	95 Pls.	93.53
Egg Albumen, Dried ...	,,	86
Egg Yolk, Dried.....	,,	128
Oil, Wood	,,	4,950

FERNBANK, July 5.
From U. S. of America.

Cotton, Raw..	Bls. 5,162 Pls.	18,910

MONTAUK, July 6.
From U. S. of America.

Timber,		
Softwood:		
Ordinary, Sawn ..	Sup.ft.	2,452,838
Merchantable	Sup.ft.	852,781
Laths	Mille	200

GOLDEN WALL, July 10.
To U. S. of America.

Silk, Raw, Steam Filature:		
White, Shanghai Bls.	20 Pls.	19.80
Silk, Raw, Filature:		
Wild, Dairen, etc. Bls.	210 ,,	213.68
Antimony, Regulus	,,	2,100
Bristles, Assorted	,,	100
Brassware	,,	15
Cotton Rags.....	,,	1,504
Feathers, Duck.....	,,	183
Feathers, Goose	,,	35
Egg Albumen, Dried ...	,,	100
Nutgalls	,,	420
Hair, Human	,,	250
Wool, Sheep's	,,	871
Seed, Sesamum.....	,,	6,300

JAPANESE PRINCE, July 10.
From U. S. of America.

Cotton Cloths, Yarn-dyed	Yds	2,541
Waterproof Cloth.....	,,	321
Brass Screws.....	Pls.	2
Iron, Galvanized: Tgbes..	,,	668
Steel Angeles	,,	99
Steel Screws.....	,,	3
Steel Washers	,,	4
Steel, Galvanized: Wire Shorts	,,	420
Indigo Paste, Artificial:		
20 per cent. strength	,,	633
50 ,, ,,	,,	208
Ink, Printing	,,	135
Leather, Sole	,,	5
Soap, Household.....	,,	14
Starch	,,	21
Sulphur Black	,,	1,045
Tobacco, Leaf	,,	1,915
Typewriters	Pcs.	20
Baking Powder.....	Doz.	52
Cigarettes.....	Mille	2,500
Machinery.....	Hk. Tls.	21,912

PRESIDENT MCKINLEY July 12.
From U. S. of America.

Woollen Blankets.....	Lb	39
Steel, Galvanized:		
Wire Shorts.....	Pls.	601
Tinned Plates, Plain....	,,	2,649
Zinc Sheets	,,	11
Canned Asparagus	,,	132
Canned Awabi	,,	17
Canned Fruits	,,	19
Butter	,,	8
Cement	,,	45
Coffee Beans	,,	6
Oranges, Fresh	,,	46
Paper, Kraft.....	,,	810
Raisins	,,	938
Saccharine	,,	23
Soda Ash	,,	113
Soap, Household.....	,,	211
Motor-cars	Pcs.	1
Bedsteads	,,	8
Typewriters	,,	5
Coffee	Catties	1,377
Canned Sardines.....	Doz.	800
Oil, Lubricating, Mineral Galls		56,978
Paints, Unclassed.....	,,	100
Lemons Fresh.....	Mille	116
Treasure:		
Silver Bars	Hk. Tls.	666,336
Motor-cars, Part of	,,	3,348

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 11200 (4 lines) September 4.
Market Firm Business Done 4,438,910 Shares

STOCK	Tuesday Aug. 1	Friday Aug. 30	Tuesday Sept. 3
Alleghany Corporation	50	53	56¼
Allied Chemical	318	350	354½
American Can	164¾	178	181
American Commonwealths Power "A"	29	29	29½
American Rolling Mill	—	125	130½
American Smelting	113	124	123⅛
American Tel. & Tel.	280	298⅝	302½
American Tobacco "B"	118⅞	203⅜	202
American Waterworks	135	170⅛	173
Anaconda Copper	117¼	129	130⅞
Armour & Co. "A"	11	12⅞	12½
Atlantic Refining	67	67¼	65⅝
Baltimore & Ohio	134⅜	140⅝	140⅜
Bank of Montreal	346	350	Unq
Bethlehem Steel	123½	138⅛	136¾
Calumet & Hecla	42¾	46¼	46⅝
Canadian Pacific Railway	227¾	232⅜	232½
Chicago Northwestern	91⅞	101⅜	100¼
Chrysler	72	71⅞	71⅞
Columbia Gas & Electric	—	91¾	94¾
Columbia Gramaphone	64⅛	64⅝	64½
Consolidated Gas of New York	149½	180¾	180¾
Corn Products	98½	120⅜	113⅛
Coty Inc.	58¾	51⅞	52¾
Davison Chemical	51¾	47½	48
Drug Inc.	—	119⅜	120
Dry Docks	16¾	14⅛	14¼
DuPont de Nemours Co.	187	213	217½
Electric Bond & Share	139⅛	183⅞	183
Erie Railway	Unq	88½	90¾
General Electric	382	395½	391
General Food	74	72¾	71⅞
General Motors	70⅜	72	71⅞
General Railway Signal	119	122¼	123½
Gold Dust	65	62⅛	62⅜
Goodrich Rubber	76½	73½	73
Goodyear Rubber & Tire Co.	121⅞	113¼	112½
Granby Consolidated	80	83½	84⅛
Haygart Corporation	69⅛	69⅞	Unq
International Cement	79	68¾	69¼
International Harvester	122	139	140
International Nickel (Com)	47⅞	54¼	54½
International Printers Ink	54⅞	58⅛	57
International Products (Com.)	8	7¾	Unq
International Tel. & Tel.	—	146	146½
Johns Manville	183	202½	207
Kelvinator	16⅝	15¼	15⅛
Kennecott Copper	88¾	90¾	92½
Lambert Co.	146	142¾	142½
Lehigh Valley	94	93	95¾
Liggett & Myers, "B"	89	96½	94
Mack Trucks	96¾	97	97
Madison Square Garden	18½	17⅜	17⅜
Missouri Pacific (Com)	93	94	95⅜
Montgomery Ward	119	137	134⅜
Nevada Consolidated Copper	48	47¾	48⅞
New York Central	232½	256	253
Northern Pacific Railway	109⅞	111¼	110⅝
Packard Motor Car (Com)	130	149½	148¾
Paramount Famous Lasky	67	71½	72
Pennsylvania Railroad	94¾	109	109
Pennroad Corporation	29⅜	27¼	27½
Phillips Petroleum	36⅝	38	37⅝
Radio Corp. of America (Com)	87¼	100	98½
Raybestos	—	54	54¼
Reading Railway	120⅛	132⅝	139⅞
Reynolds Tobacco, "B"	54½	59	58
Rock Island Railway	136	143	142
Shell Union	26½	29	29
Simmons Co.	116	148	148
Southern Pacific Railway	142	153¾	156¾
Standard Gas & Electric (Common)	139	163½	168½
Standard Oil of New Jersey	57⅝	71¾	70¾
Standard Oil of New York	39¼	44½	43
Texas Corporation	61½	70⅛	68¾
Texas Gulf Sulphur	71⅝	72⅜	Unq
Timken Roller Bearing	102	108⅞	108½
Union Carbide & Carbon	120⅜	134	135⅓
Union Pacific Railrway	266	295	295
Under Aircraft & Transport	—	134⅞	134¼
U. S. Industrial Alcohol	181⅞	208¼	211
U. S. Leather "A"	34⅞	36	37
United States Realty & Improvement	88⅝	88⅛	89
United States Steel	213¼	256½	257⅝
Vacuum Oil	121⅞	126	124½
Vanadium	87¼	82½	82½
Warner-Quinlan (Com)	31¾	30½	29⅞
Westinghouse E. & M. (Com)	211⅝	288	285⅞
Willys Overland	24¾	22¾	22½
Wright Aeronautical	128	132½	136
CALL MONEY	12%	9%	9%

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Investment Securities—Local & Foreign
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Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

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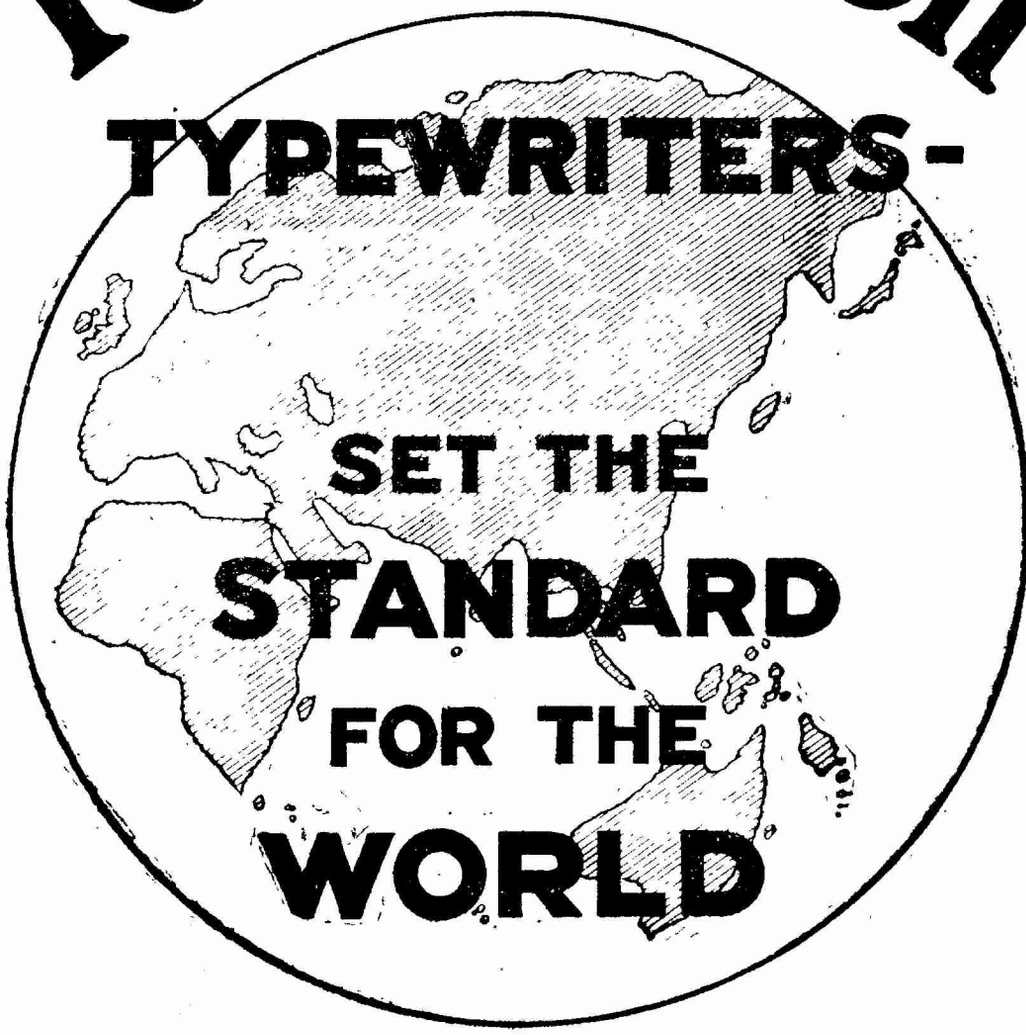

SET THE STANDARD FOR THE WORLD

AGENTS THROUGHOUT CHINA

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